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State final demand in Western Australia rose 2.0% ($610 million) to $30,972 million in trend chain volume terms in the September quarter 2007. This followed higher growth in the previous two quarters of 3.3% in the March quarter 2007 and 3.0% in the June quarter 2007.

PRICES

Perth's Consumer Price Index (CPI) rose 0.6% in the September quarter 2007, less than half the rate of the previous quarter (1.4%) and slightly lower than national CPI growth (0.7%).

CONSUMPTION

Western Australia's retail turnover (trend) totalled $6,407 million in the three months to October 2007, 1.1% ($70 million) more than in the previous three month period. Sales of new motor vehicles (trend) in Western Australia rose 1.0% (298) to 30,840 in the three months to November 2007, compared to the previous three month period.

INVESTMENT AND FINANCE

The level of business investment (trend chain volume measures) in Western Australia rose to a record high of $5,182 million in the September quarter 2007, 1.4% ($73 million) higher than in the previous quarter. The number of dwellings financed for owner occupation (trend) in Western Australia decreased 4.3% (1,121 commitments) in the three months to October 2007, compared to the previous three month period.

CONSTRUCTION

In the three months to October 2007, a total of 4,362 houses (trend) were approved for construction in Western Australia, 3.3% (147) less than in the previous three month period. The number of house approvals has continued to fall over the last 20 months by an average of 1.3% (21) per month.

TRADE

Western Australia's trade surplus dropped 8.4% ($835 million) to $9,096 million through the year to September quarter 2007, the first fall since the June quarter 2006 (down 2.9% or $205 million through the year). The value of Western Australia's exports rose 3.7% ($551 million) to $15,313 million through the year to September quarter 2007. The value of Western Australia's imports increased 28.7% ($1,386 million) to $6,217 million through the year to September quarter 2007.

MINING

Mineral exploration expenditure (trend) in Western Australia rose 10.6% (up $26 million) to $271 million in the September quarter 2007 - the seventh consecutive quarterly rise.

TOURISM
There was a total of 53,031 overseas holiday arrivals to Western Australia in the September quarter 2007, 19.3% (8,580) more than in the same period of 2006. There was a total of 123,674 overseas holiday departures from Western Australia in the September quarter 2007, 33.3% (30,897) more than in the corresponding period of 2006.

LABOUR MARKET
There were 29,700 job vacancies in Western Australia in the August quarter 2007, 31.8% (7,100) more than in the same quarter of 2006. The number of employed persons (trend) in Western Australia rose 0.4% (4,000) to 1,119,600 in the three months to November 2007, a much lower rise than in the three months to August 2007 (up 1.2% or 13,600). Western Australia's unemployment rate (trend) remained unchanged at 3.4% in the three months to November 2007.

POPULATION
The estimated resident population of Western Australia was 2,105,783 in June quarter 2007, an increase of 11,234 persons (0.54%) from the previous quarter. The state's quarterly population growth was equal highest with the Northern Territory and well above the national increase of 0.33%.

SOCIAL TRENDS - INCOME AND HOUSING
In 2006, the mean equivalised disposable income for all households in Western Australia was $658 per week, slightly higher than the national average of $644 per week. In 2005-06, there were 803,700 occupied private dwellings in Western Australia, 23% more than in 1995-96. There were 21,600 new dwellings built and completed in 2005-06, the most since 1996-97.

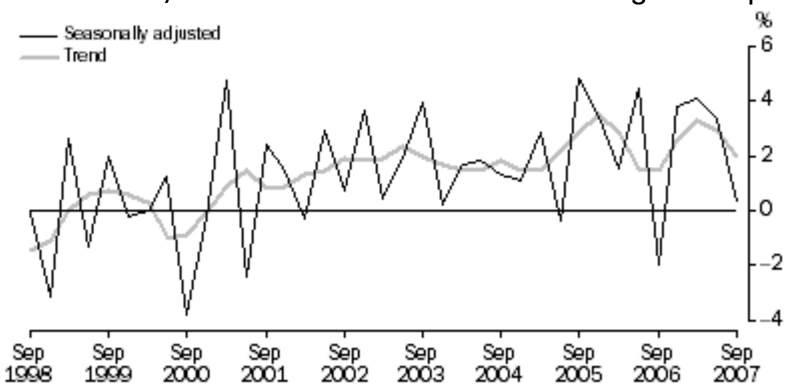
State accounts

STATE ACCOUNTS

STATE FINAL DEMAND

State final demand in Western Australia rose 2.0% ($610 million) to $30,972 million in trend chain volume terms in the September quarter 2007. This followed higher growth in the previous two quarters of 3.3% in the March quarter 2007 and 3.0% in the June quarter 2007. Despite the deceleration, growth in Western Australia's state final demand in the September quarter was the highest among the states and territories, ahead of Queensland (1.6%), New South Wales (0.9%) and Victoria (0.9%). Nationally, domestic final demand grew 1.2%.

STATE FINAL DEMAND, Chain volume measures **-** Change from previous quarter



Source: Australian National Accounts: National Income, Expenditure and Product, cat. no. 5206.0.

In seasonally adjusted chain volume terms, Western Australia's state final demand rose 0.3% ($106 million) to $30,711 million in the September quarter 2007, a substantial drop from the 3.3% growth in the previous quarter. The easing in growth was attributable to much lower private investment in machinery and equipment, falling $214 million (6.5%) during the September quarter. There was also significantly lower public sector investment, with public corporations lowering investment by $75 million (13.2%) and general government reducing investment by $71 million (10.3%). Contributing to growth during the September quarter was increased household consumption expenditure (up $255 million or 1.8%), dwelling investment (up $107 million or 4.9%) and non-dwelling construction investment (up $102 million or 2.3%).

Prices

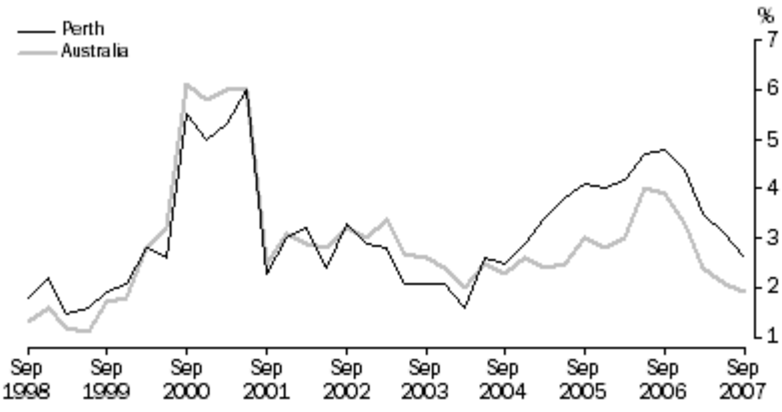
PRICES

CONSUMER PRICE INDEX

Perth's Consumer Price Index (CPI) rose 0.6% in the September quarter 2007, less than half the rate of the previous quarter (1.4%) and slightly lower than national CPI growth (0.7%). A major contributor to Perth's slowing CPI growth was child care. The price of child care fell 32.2% in the September quarter 2007. This was due to the Child Care Tax Rebate being included as a rebate in calculating the "net" change in child care costs for the first time and the additional 10% indexation of the Child Care Benefit rates on top of the usual annual CPI indexation. Other notable contributions were lower prices for automotive fuel (down 2.7%), motor vehicles (down 0.8%), pharmaceuticals (down 4.2%) and towels and linen (down 9.6%).

The rise in Perth's CPI in the September quarter 2007 was mainly driven by the cost of overseas holiday travel and accommodation (up 6.7%) and fruit (up 9.4%). Prices were also notably higher for rents (up 2.0%), deposit and loan facilities (2.2%) and house purchase (up 0.8%).

CONSUMER PRICE INDEX (ALL GROUPS), Change from same quarter previous year



Source: Consumer Price Index, Australia, cat. no. 6401.0.

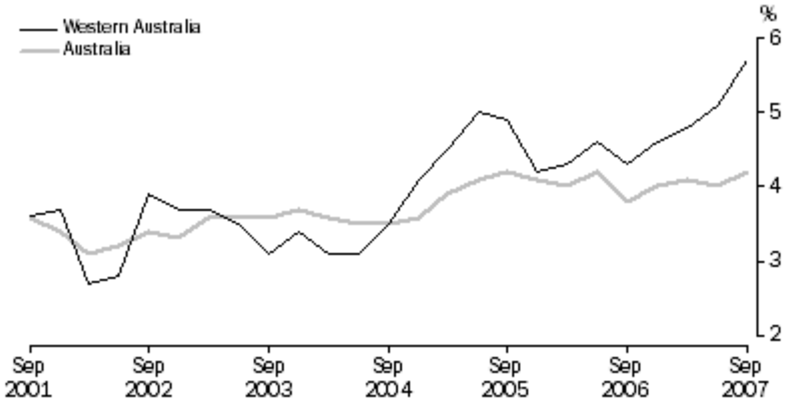
Perth's CPI rose 2.6% through the year to September quarter 2007, much lower than the rate of the previous period (3.1%), mainly due to price falls in fruit (down 16.2%), automotive fuel (down 4.1%), audio, visual and computing equipment (down 10.9%) and child care (down 24.1%). Perth's through the year growth was the third highest among Australian capital cities, behind Darwin (up 3.2%) and Brisbane (up 2.7%). The main contributors to Perth's CPI growth were rents (up 9.6%) and house purchase costs (up 3.8%).

Nationally, the CPI rose 1.9% through the year to September quarter 2007, slightly below the Reserve Bank of Australia's (RBA) medium-term target for consumer price inflation of 2-3 per cent. The RBA, however, accounts for temporary fluctuations in the CPI (such as changes in petrol prices) when it decides on changes to official interest rates. With this in mind, the RBA's measures of underlying inflation were both much higher than CPI inflation through the year (weighted mean up 3.1% and trimmed mean up 2.9%), mainly due to the exclusion of automotive fuel prices, which fell 6.7% over the period.

WAGE PRICE INDEX

Western Australia's Wage Price Index (WPI) of total hourly rates of pay (excluding bonuses) rose 1.8% in the September quarter 2007, following an increase of 1.7% in the previous quarter. The current quarter rise was the equal highest among the states and territories along with South Australia (1.8%) and surpassed national WPI growth of 1.3%. In Western Australia, private sector wages grew 2.2% and public sector wages were up 0.7%.

WAGE PRICE INDEX, Change from same quarter previous year



Source: *Labour Price Index, Australia*, cat. no. 6345.0.

Western Australia's WPI increased 5.7% through the year to September quarter 2007, higher than the rise in the previous period (5.1%) and much higher than national wages growth (4.2%). The increase in Western Australia's WPI was the highest through the year growth since the series began in September 1997. Wages grew strongly in the industries of manufacturing (7.4%) and personal and other services (7.1%) and in the occupations of labourers and related workers (8.4%) and tradespersons and related workers (7.0%).

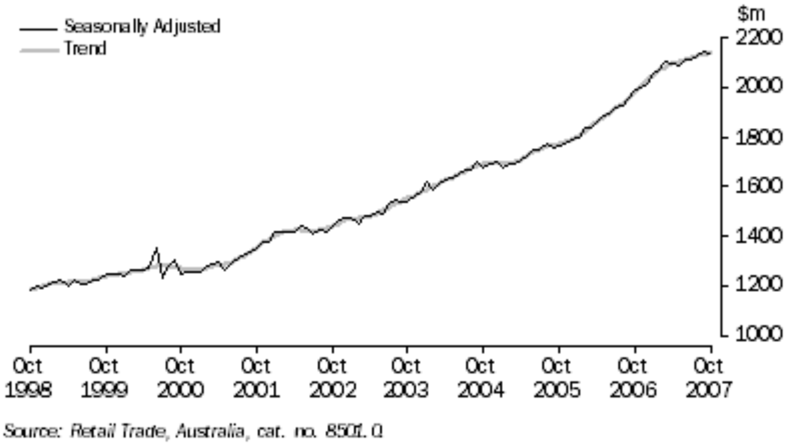
Consumption

CONSUMPTION

RETAIL TRADE

Western Australia's retail turnover (trend) totalled $6,407 million in the three months to October 2007, 1.1% ($70 million) more than in the previous three month period. Nationally, growth in retail turnover was higher at 2.1% over the same period.

MONTHLY RETAIL TURNOVER, Current prices

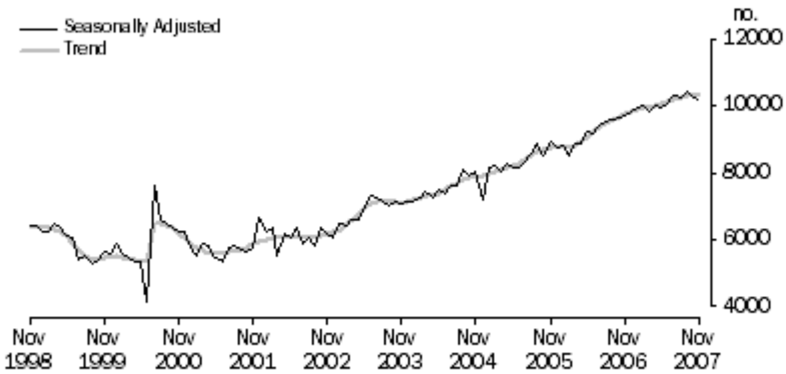


The main industry group driving Western Australia's growth in retail turnover (trend) in the three months to October 2007 was food retailing (up $57 million or 2.2%). Growth in food retailing was greater than the combined growth in recreational good retailing (up $16 million or 6.3%), clothing and soft good retailing (up $14 million or 3.4%) and department stores (up $13 million or 2.6%). A number of industry groups showed declining retail turnover over the period, including household good retailing (down $20 million or 1.7%) and hospitality and service industry (down $10 million or 1.2%).

NEW MOTOR VEHICLE SALES

Sales of new motor vehicles (trend) in Western Australia rose 1.0% (298) to 30,840 in the three months to November 2007, compared to the previous three month period. Growth in new motor vehicle sales was driven almost equally by sales of sports utility vehicles (up 3.7% or 226) and other vehicles (up 3.0% or 215) - other vehicles include utilities, vans, trucks and buses. Passenger vehicle sales fell 0.8% (143) to 16,997 in the three months to November 2007.

NEW MOTOR VEHICLE SALES



(a) Break in trend series between June and July 2000.

Source: *Sales of New Motor Vehicles, Australia*, cat. no. 9314.0.

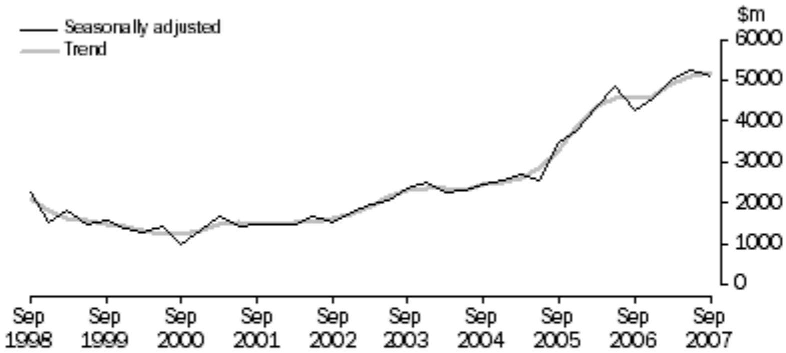
Investment and finance

INVESTMENT AND FINANCE

PRIVATE NEW CAPITAL EXPENDITURE

The level of business investment (trend chain volume measures) in Western Australia rose to a record high of $5,182 million in the September quarter 2007, 1.4% ($73 million) higher than in the previous quarter. Growth in private new capital expenditure has slowed, however, since rising 6.6% ($302 million) in the March quarter 2007 - it was up 4.2% (up $206 million) in the June quarter 2007. In the September quarter, growth in business investment was shared almost equally between equipment, plant and machinery (up $37 million or 2.0%) and building and structures (up $30 million or 0.9%). Nationally, private new capital expenditure rose 1.2% in the September quarter 2007.

PRIVATE NEW CAPITAL EXPENDITURE, Chain volume measures



Note: Break in trend series between December 2006 and March 2007.

Source: *Private New Capital Expenditure and Expected Expenditure, Australia*, cat. no. 5625.0.

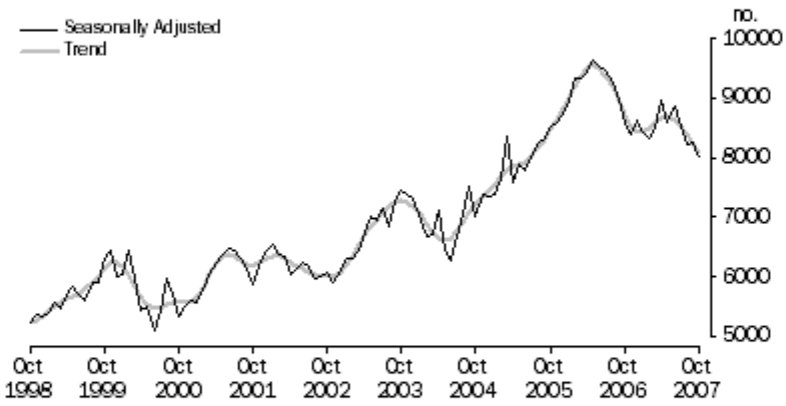
In original current price terms, Western Australia's private new capital expenditure rose 20.3% ($837 million) to $4,962 million through the year to September quarter 2007, almost entirely driven by mining industry investment (up $721 million or 25.3%). Increased investment was also recorded in other selected industries (up $85 million or 8.6%) and manufacturing (up $33 million or 11.7%).

HOUSING FINANCE COMMITMENTS

The number of dwellings financed for owner occupation (trend) in Western Australia decreased 4.3% (1,121 commitments) in the three months to October 2007, compared to the previous three month period. Since May 2007 (8,691), the number of dwellings financed has fallen for five successive months to 8,105 in October 2007.

In original terms, there were 24,916 dwellings financed in Western Australia in the three months to October 2007, 9.7% (2,670) less than in the previous three months. Dwellings financed by non-first home buyers accounted for the entire decline, falling 12.1% (2,823), while dwellings financed by first home buyers increased 3.6% (153).

HOUSING FINANCE COMMITMENTS, Number of dwellings financed



Source: *Housing Finance, Australia*, cat. no. 5609.0.

The total value of housing finance for owner occupation (original) in Western Australia decreased 10.7% ($720 million) in the three months to October 2007, compared to the previous three month period. The average loan size for first home buyers fell 1.7% ($4,300) and for non-first home buyers it fell 1.0% ($2,400). In the three months to October 2007, the average loan size for first home buyers ($241,800) was $1,800 higher than for non-first home buyers ($240,000).

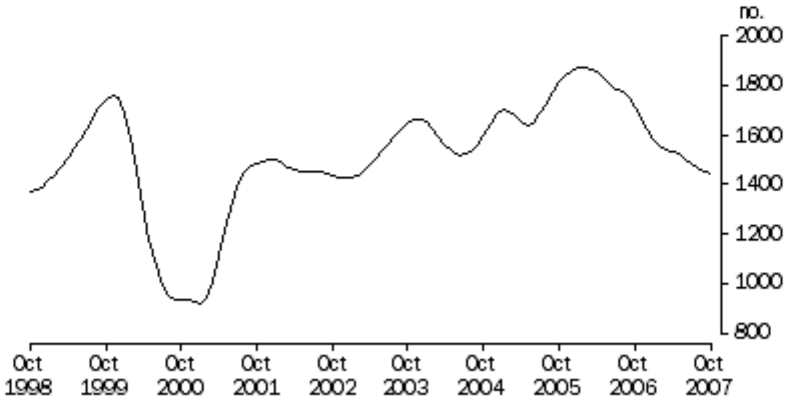
Construction

CONSTRUCTION

BUILDING APPROVALS

In the three months to October 2007, a total of 4,362 houses (trend) were approved for construction in Western Australia, 3.3% (147) less than in the previous three month period. The number of house approvals has continued to fall over the last 20 months by an average of 1.3% (21) per month. Despite the fall in house approvals, other residential dwelling approvals have risen 1.8% (23) to 1,297 in the three months to October 2007 - comprising semi-detached houses, townhouses and flats, units and apartments.

NUMBER OF DWELLINGS APPROVED, Houses**:** Trend



Source: *Building Approvals, Australia, cat. no. 8731.0.*

Coinciding with the decline in Western Australia's house approvals (trend) from February 2006 (1,872) to October 2007 (1,447) has been four interest rate rises by the Reserve Bank of Australia: 0.25% in May 2006 (5.75%), August 2006 (6.00%), November 2006 (6.25%) and August 2007 (6.50%). There has also been an increase of 11.2% in the price of new houses in Perth between the March quarter 2006 and September quarter 2007.

The total value of house approvals (original) in Western Australia decreased 3.6% ($43 million) to $1,139 million in the three months to October 2007.

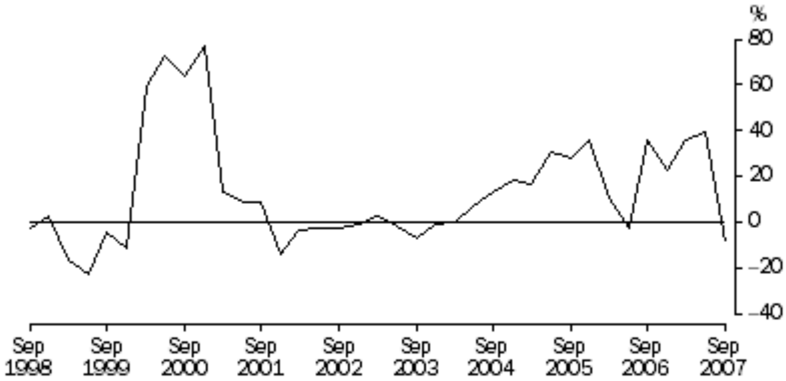
Trade

 **TRADE**

BALANCE OF TRADE

Western Australia's trade surplus dropped 8.4% ($835 million) to $9,096 million through the year to September quarter 2007, the first fall since the June quarter 2006 (down 2.9% or $205 million through the year). The decline was the result of strong imports growth (up 28.7% or $1,386 million) and very modest exports growth (up 3.7% or $551 million).

VALUE OF WESTERN AUSTRALIA'S TRADE SURPLUS, Change from same quarter previous year



Source: ABS data available on request, International Trade in Goods and Services, Australia, cat. no. 5368.0.

The decrease in Western Australia's trade surplus through the year to September quarter 2007 was largely due to worsening trade balances with the United Kingdom (down $1,032 million to a deficit of $511 million), Viet Nam (down $408 million to a surplus of $19 million) and Singapore (down $404 million to a deficit of $219 million). There were significant increases, however, in the state's trade surpluses with Switzerland (up $640 million to $599 million) and the United Arab Emirates (up $543 million to $305 million).

EXPORTS

The value of Western Australia's exports rose 3.7% ($551 million) to $15,313 million through the year to September quarter 2007, mainly due to rising exports of non-monetary gold (up $429 million or 17.5%). Commodities detracting from exports growth were mainly wheat (down $179 million or 33.5%), natural gas (down $137 million or 12.9%), nickel (down $73 million or 25.8%), wool and other animal hair (down $56 million or 50.5%) and live animals (down $52 million or 35.0%).

IMPORTS

The value of Western Australia's imports increased 28.7% ($1,386 million) to $6,217 million through the year to September quarter 2007. Strong imports growth was primarily driven by non-monetary gold (up $701 million or 67.4%), crude petroleum oils (up $149 million or 28.5%), refined petroleum oils (up $59 million or 18.0%) and civil engineering plant and equipment (up $53 million or 28.2%).

Mining

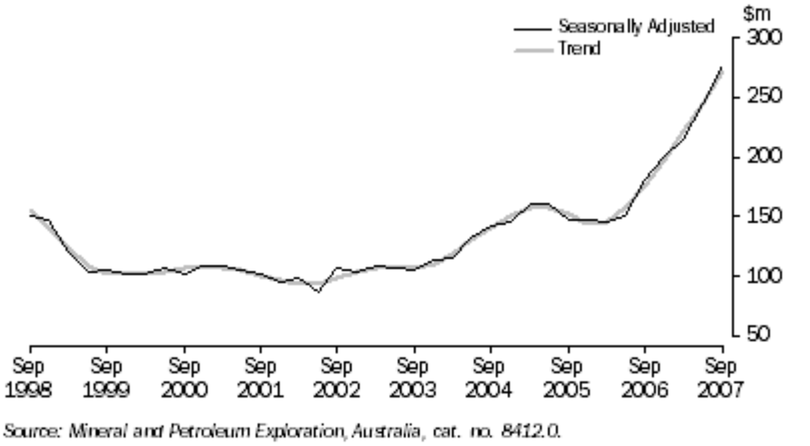
MINING

MINERAL AND PETROLEUM EXPLORATION EXPENDITURE

Mineral exploration expenditure (trend) in Western Australia rose 10.6% (up $26 million) to

$271 million in the September quarter 2007 - the seventh consecutive quarterly rise. Since the December quarter 2005 ($144 million), the state's mineral exploration expenditure has risen at an average rate of 8.2% per quarter, much higher than the long-run average of 1.2% per quarter since the series began in the September quarter 1988.

MINERAL EXPLORATION EXPENDITURE, Total minerals



In original terms, Western Australia's mineral exploration expenditure rose 54.2% ($103 million) through the year to September quarter 2007, mainly due to increased exploration of iron ore (up $38 million or 57.4%) and nickel, cobalt (up $30 million or 95.5%). Other notable increases were in gold (up $12 million or 18.2%), silver, lead, zinc (up $8 million or 88.5%) and copper (up $6 million or 135.6%). Petroleum exploration expenditure (original) in Western Australia rose 88.5% ($257 million) to $547 million through the year to September quarter 2007.

MINERAL AND PETROLEUM PRODUCTION

The production of most mineral types fell in Western Australia through the year to September quarter 2007, including diamonds (down 40.6%), ilmenite (down 13.0%), gold (down 7.3%), bauxite (down 4.9%) and nickel (down 2.1%). There was however increased production in zinc (up 163.6%) and iron ore (up 1.6%). In terms of energy, crude oil production was down 14.8% through the year, while production rose for natural gas (up 6.3%) and electricity (up 4.2%).

Tourism

TOURISM

SHORT-TERM OVERSEAS HOLIDAY ARRIVALS

There was a total of 53,031 overseas holiday arrivals to Western Australia in the September quarter 2007, 19.3% (8,580) more than in the same period of 2006. Holiday travel rose from residents of Singapore (up 2,607 or 46.6%), Thailand (up 1,523 or 180.5%), Europe (excluding the United Kingdom and Ireland) (up 1,061 or 15.0%) and Malaysia (up 1,032 or

27.7%). Detracting from growth were less holiday arrivals from mainly Hong Kong SAR (down 311 or 20.2%) and Indonesia (down 133 or 7.7%).

SHORT-TERM OVERSEAS HOLIDAY DEPARTURES

There was a total of 123,674 overseas holiday departures from Western Australia in the September quarter 2007, 33.3% (30,897) more than in the corresponding period of 2006. Holiday travel increased to Indonesia (10,629 or 71.5%), Thailand (6,029 or 43.5%), Europe (excluding the United Kingdom and Ireland) (5,132 or 60.2%) and Singapore (2,856 or 33.6%). In contrast, there were fewer Western Australian holiday departures to mainly Malaysia (down 267 or 3.8%).

Labour market

LABOUR MARKET

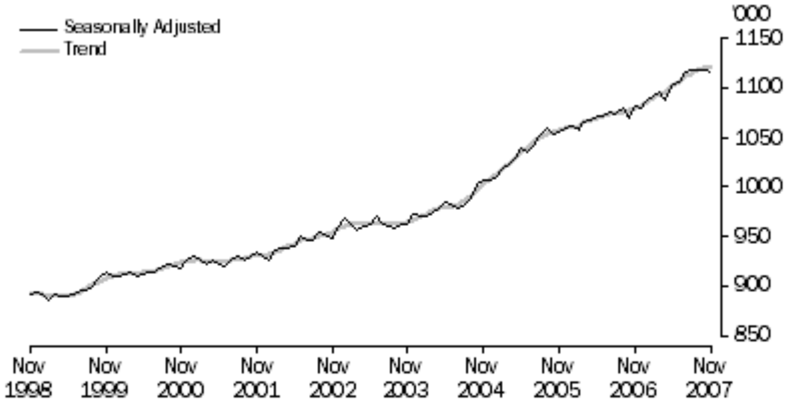
JOB VACANCIES

There were 29,700 job vacancies in Western Australia in the August quarter 2007, 31.8% (7,100) more than in the same quarter of 2006. The vast majority of vacancies were created in the private sector (up 6,800 or 31.8%), with public sector vacancies also higher (up 400 or 32.2%).

EMPLOYMENT

The number of employed persons (trend) in Western Australia rose 0.4% (4,000) to 1,119,600 in the three months to November 2007, a much lower rise than in the three months to August 2007 (up 1.2% or 13,600). The deceleration in employment growth was driven solely by lower part-time employment, which declined by an estimated 0.8% (2,600) in the three months. Full time employment was up 0.8% (6,600) to 805,900.

EMPLOYED PERSONS, Total



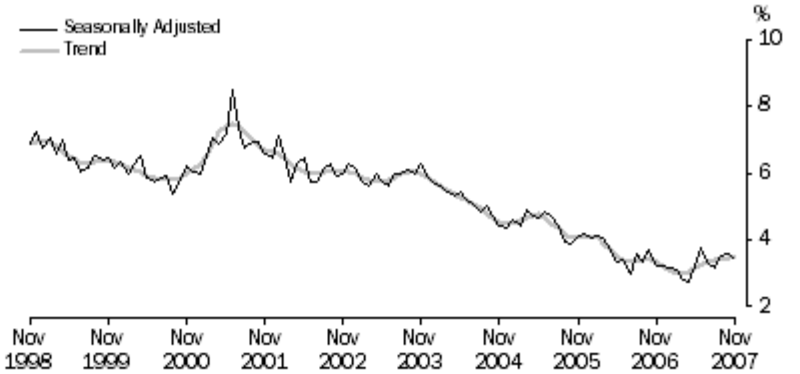
Source: *Labour Force Australia, Spreadsheets*, cat. no. 6202.0.55.001.

The major industries driving Western Australia's employment growth of 3.1% (33,500) in original terms through the year to November 2007 were health and community services (up 15.9% or 15,900), transport and storage (up 31.7% or 12,700) and construction (up 9.5% or 10,900). A number of industries recorded falls in employed persons through the year, including retail trade (down 4.9% or 7,600) and government administration and defence (down 13.0% or 7,100). The most notable movement among the occupations was a 15.8% (30,200) rise in employed professionals through the year to November 2007.

UNEMPLOYMENT

Western Australia's unemployment rate (trend) remained unchanged at 3.4% in the three months to November 2007. This rate of unemployment was higher than what was recorded at the beginning of the year: 3.0% in February and March 2007. In the three months to November 2007, the number of unemployed persons rose 1.3% (500) to 39,900 in Western Australia. But since February 2007, unemployed persons have increased 18.4% or 6,200 persons - although coinciding with a greater rate of participation in the state's labour force, rising from 67.4% in February 2007 to 68.4% in November 2007.

UNEMPLOYMENT RATE



(a) Break in trend series at April 2001.
Source: *Labour Force Australia, Spreadsheets*, cat. no. 6202.0.55.001.

Population

POPULATION

ESTIMATED RESIDENT POPULATION

The estimated resident population of Western Australia was 2,105,783 in June quarter 2007, an increase of 11,234 persons (0.54%) from the previous quarter. The state's quarterly population growth was equal highest with the Northern Territory and well above the national increase of 0.33%. The largest driver of Western Australia's population growth in the June quarter 2007 was net overseas migration (up 5,642 persons), with natural increase (up 4,237 persons - 7,190 births less 2,953 deaths) and net interstate migration (up 1,355 persons) also adding to the state's population.

Social trends

SOCIAL TRENDS - INCOME AND HOUSING

CHANGES TO INCOME MEASURES - SALARY SACRIFICE

The following analysis reports on the income received by Western Australian households in the form of wages and salaries, profits (losses) from own unincorporated business, investment income (eg. interest, rents, dividends), government pensions and allowances, and private cash transfers (eg. superannuation). Wages and salaries estimates for 2003-04 and 2005-06 now include all benefits received through salary sacrifice arrangements, where previously only some salary sacrificed amounts were included. Therefore some caution should be taken when interpreting changes in incomes before and after 2003-04.

HOUSEHOLD INCOME

Equivalised household income is an indicator of the economic resources available to a standardised household in terms of size and composition. In 2006, the mean equivalised disposable income for all households in Western Australia was $658 per week, slightly higher than the national average of $644 per week. Between 1995-96 and 2005-06, the mean equivalised disposable income of low income households increased 39% ($254-$354 per week), greater than the rises of 36% for middle income households ($426-$581 per week) and 35% for high income households ($927-$1,255 per week).

Between 2004-05 and 2005-06, the mean equivalised disposable income of low income households in Western Australia rose 10%, from $321 to $354 per week. Over the same period, the mean equivalised disposable income of middle income households rose 13% ($512-$581 per week) and 18% for high income households ($1,061-$1,255 per week).

INCOME DISTRIBUTION

In 2005-06, Western Australia's median equivalised household disposable income was $581 per week, lower than the mean household income of $658 per week - median income is the level of income which divides the units in a group into two equal parts, one half having incomes above the median and the other half having incomes below the median. The difference between the median and mean can be explained by a relatively small number of people with very high household incomes and a large number of people with relatively lower household incomes.

Percentile ratios are another measure of the spread of incomes across the population. They summarise the relative distance between extreme points on the income distribution. The P80/P20 ratio is a measure of income distribution which compares the relative income level of the bottom 80% of the population from the top 20% (P80), with the bottom 20% of the population from the remainder (P20). Based on this measure, generally, the distribution of income in Western Australia has increased over the last decade. In 2005-06, P80 was $886 per week and P20 was $355 per week, giving a P80/P20 ratio of 2.5 - lower than the ratios of 2.8 in 1995-96 and 2.6 in 2003-04, although slightly higher than in 2004-05 (2.4). A lower P80/P20 ratio means a greater share of income goes to the bottom 20% of income earners (low income earners) relative to the majority of the population (80%). A measure of income

distribution is also provided by the income shares going to groups of people at different points in the income distribution. In 2005-06, 38% of total equivalised disposable household income went to people in the 'high income' group (i.e. the 20% of the population in the second and third income deciles) and 11% went to people in the 'low income' group (i.e. the 20% of the population in the ninth and tenth deciles).

The Gini coefficient is a single statistic that lies between 0-1 and summarises the degree of inequality, with values closer to 0 representing a lesser degree of inequality and values closer to 1 representing greater inequality. In 2005-06, the Gini coefficient increased to 0.303 from 0.287 in 2004-05.

SOURCE OF INCOME

In 2005-06, wages and salaries were the main source of income for most Western Australian households (61%). Almost one-quarter (24%) of households relied on government pensions and allowances as their main source of income. The vast majority of 'lone person aged 65+' households (80%) and 'couple only aged 65+' households (70%) received government pensions and allowances as their main source of income. Almost half of 'one parent with dependent children' households (45%) also relied on government pensions and allowances as their main source of income.

HOUSING

In 2005-06, there were 803,700 occupied private dwellings in Western Australia, 23% more than in 1995-96. There were 21,600 new dwellings built and completed in 2005-06, the most since 1996-97. The average number of persons per household (2.4) and the average number of bedrooms per dwelling (3.2) remained relatively unchanged since 1996-97.

Notes

NOTES

FORTHCOMING ISSUES

ISSUE (QUARTER)	Release Date
March 2008	16 April 2008
June 2008	16 July 2008

CHANGES IN THIS ISSUE

No changes in this issue.

EXPLANATORY NOTES

The statistics shown are the latest available as at 21 December 2007. Explanatory Notes of

the form found in other ABS publications are not included in **Western Australian Statistical Indicators**. Readers are directed to the Explanatory Notes contained in related ABS publications.

REVISIONS

Data contained in this publication are subject to revision as more complete and accurate information becomes available each quarter.

INQUIRIES

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Mike Thomas on Perth (08) 9360 5111. For information about other ABS statistics and services contact the National Information and Referral Service on 1300 135 070.

List of Historical Feature Articles

FEATURE ARTICLES

Issue	Title
Dec 2007	Regional housing in Western Australia
	Short-term overseas travel to and from Western Australia
Sep 2007	Regional wage and salary earners in Western Australia - 2001-02 to 2003-04
	Cultural diversity in Western Australia
Jun 2007	Research and experimental development in Western Australia
	General Social Survey - Western Australian summary
	Changing water and energy use in Perth homes
Mar 2007	The resources industry in Western Australia: 2001-02 to 2005-06
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	Drivers of Perth's rising prices
	International trade in Western Australia: 2003-04 to 2005-06
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	Western Australians on the move - A housing perspective
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	Selected statistics for Aboriginal and Torres Strait Islander people in Western Australia
Mar 2006	Skills shortages in Western Australia - Part 2
	Household expenditure in Western Australia
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	State accounts - A snapshot of Western Australia's economy in 2004-05
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	Social interactions and support in Western Australia
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	State accounts: A snapshot of WA's economy in 2003-04
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Sep 2002	Western Australia's age and sex distribution
Jun 2002	The resources industry in Western Australia Understanding population measures
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Mar 2001	Crime and safety in Western Australia
Dec 2000	Small business in Western Australia
Sep 2000	Western Australia's' merchandise trade with the rest of the world

About this Release

Contains the most recent statistics for Western Australia covering: state accounts; prices; consumption; investment and finance; construction; trade; mining and energy; agriculture; tourism; labour market; population; crime; and social trends. Quarterly issues include an analysis of recent movements in key state data, as well as feature articles reviewing aspects of Western Australia's economy and/or society.

Regional housing in Western Australia (Feature Article)

FEATURE ARTICLE 1: REGIONAL HOUSING IN WESTERN AUSTRALIA

INTRODUCTION

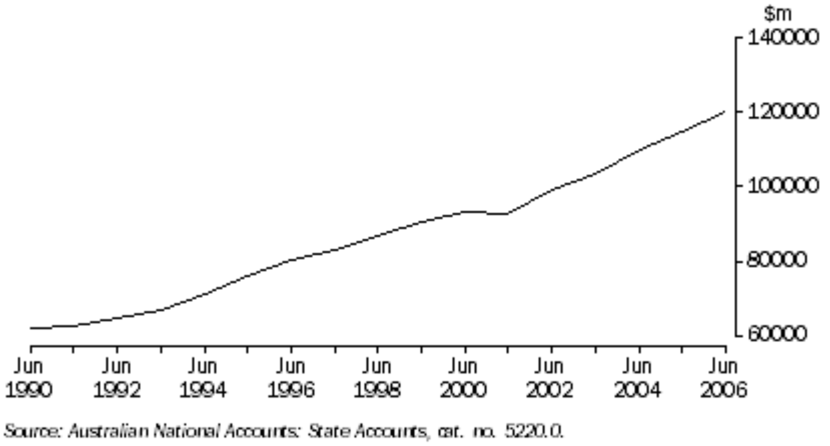
Since the turn of the new millennium Western Australia has undergone a period of significant economic and population growth, spurred by major resource investment in the state. This has seen pressure placed on the Western Australian housing market, both in Perth and in a number of regional areas. This pressure has been manifested through substantial rises in both the costs of established and new homes and a blow out in construction times due to capacity constraints in the building industry. While much attention has been focussed on the Perth housing market, this article will concentrate on regional Western Australia and examine the changes that have occurred over the period covered by the 1996, 2001 and 2006 Censuses of Population and Housing. Selected regional areas have been chosen to illustrate these changes, highlighting both growth and decline. Note that due to differences in geographic classifications (i.e. local government area; urban centre) and counting methods (i.e. estimated resident population; place of enumeration count) there may be some differences in totals shown.

THE ECONOMY

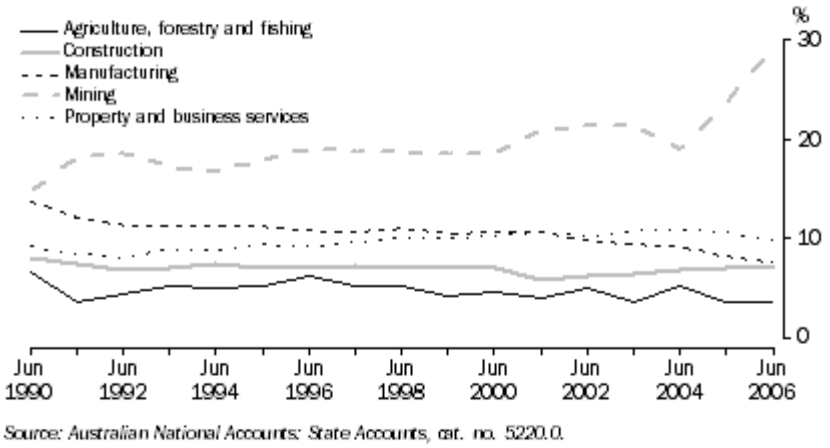
The Western Australian economy has doubled in size over the past 16 years, with Gross State Product (GSP) in chain volume terms rising 107% between 1990-2006. It has

traditionally had a strong and growing minerals sector, solid property and business services, construction and manufacturing sectors, and an ongoing dependence on agricultural production. While the agriculture, forestry and fishing and manufacturing sectors have grown in absolute terms, they have declined in relative terms compared to the mining sector. The contribution to GSP of agriculture, forestry and fishing has declined from 7% to 2% and the contribution of manufacturing has declined from 14% to 8% in the past 16 years. The contribution of mining to GSP has doubled (15% to 30%), while the sectors of property and business services (9% to 11%) and construction (8%) have remained fairly steady contributors. Since the 1970's mining has consolidated its position as the major generator of export income for Western Australia, currently comprising some 70% of total exports revenue.

GROSS STATE PRODUCT, Chain volume measures **-** Western Australia



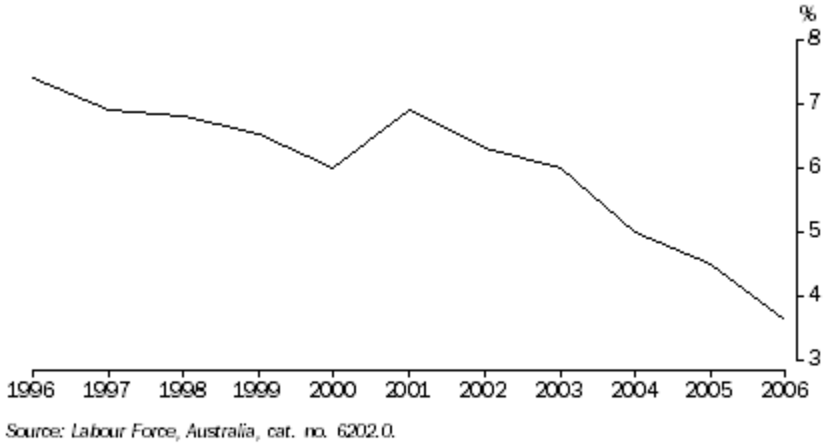
INDUSTRY CONTRIBUTION TO GSP, Western Australia



EMPLOYMENT

Coinciding with the current resources boom has been a sustained increase in the number of employed persons in Western Australia and a consequent decline in unemployment. In November 2004 the number of employed persons (trend) in Western Australia surpassed the one million mark. At the time of the 1996 Census the unemployment rate (trend) in Western Australia was 7.5%. By the 2001 Census this rate had declined to 7.1%, and by August 2006 it had more than halved to 3.4%. Between August 1996-2006, 27% (227,100 persons) more people were employed in Western Australia and the number of unemployed persons had almost halved to 30,100.

UNEMPLOYMENT RATE, Trend **-** Western Australia



Many of the new jobs created by the resources boom are full-time, male positions, in regional mining areas and Perth. This has created extreme pressure on housing stocks in those areas. While the mining industry has been at the forefront of the resources boom and has seen job creation soar, most of the new positions created have been Perth based as administrative and fly-in fly-out positions have increased. Over the decade 1996-2006 direct employment in the mining industry grew 105% in Perth, but only 29% in regional Western Australia - although regional areas benefited through higher employment in associated industries such as construction, manufacturing, transport and service industries.

The Department of Workplace Relations' Small Area Labour Markets series for June 2006 reported the Perth metropolitan area as having an unemployment rate of 4.1%, with regional Western Australia slightly lower at 3.9%. Rates varied widely in the regions, from 0.4% in the Shire of Lake Grace to 16% in the Shire of Halls Creek.

DEMOGRAPHIC CHANGES

The estimated resident population of Western Australia in June 1996 was 1.8 million. By June 2006 it had increased 17% to just over 2 million persons. Population growth in Perth and regional Western Australia was similar, although growth in the regions was less consistent. The South-West and Pilbara regions recorded the largest increases in population in regional Western Australia. The expansion of the urban conglomeration of Bunbury was evident with the adjoining Shire of Capel (up 8.4%) being the fastest growing regional Local Government Area (LGA) between 2001-2006 and the adjoining Shire of Dardanup being the fifth fastest (up 3.8%). Both of these LGAs contain a part of the urban expansion of Bunbury. From a relatively low base Ravensthorpe was the second fastest growing regional LGA (up 6.2%). The Shire of East Pilbara, which declined in population between 1996-2001, rebounded strongly to record the third highest average annual growth over the 2001-2006 inter-censal period.

POPULATION GROWTH(a), By LGA - Western Australia

	1996 no.	**2001** no.	**2006** no.	**2001-2006 average annual growth** %
Capel (S)	5 989	7 107	10 630	8.4
Ravensthorpe (S)	1 433	1 504	2 029	6.2

East Pilbara (S)	6 755	5 628	7 160	4.9
Chittering (S)	2 409	2 936	3 683	4.6
Dardanup (S)	6 658	8 955	10 777	3.8
Mandurah (S)	40 460	48 877	58 457	3.6
Roebourne (S)	13 829	15 058	17 671	3.3
Greenough (S)	10 701	12 634	14 789	3.2
Busselton (S)	18 158	23 099	26 638	2.9
Murray (S)	9 510	10 875	12 554	2.9

(a) Estimated resident population as at 30 June.
Regional Population Growth, Australia, cat. no. 3218.0.

Western Australia’s population growth between 1996-2006 was due to a combination of natural increase and overseas migration. Over the ten years to 2006, Western Australia grew by an annual average of over 30,000 persons. Natural increase (births minus deaths) accounted for just under 14,000 persons per year and overseas migration for more than 15,000 persons per year. Interstate migration contributed only 513 persons per year on average between 1996-2006 and was negative in four and positive in six of those years. The average was boosted by a high rate of interstate migration between 2005-2006 of 3,549 persons per year. In Queensland a large influx of residents from other states kept that state’s population growth the highest in the nation, but Western Australia, which had the second strongest growth of the states, did not benefit from interstate migration to the same degree (Western Australia's population growth outpaced the rest of the nation in the twelve months to June 2007).

While Western Australia as a whole and regional Western Australia enjoyed population growth between 1996-2006, this growth was restricted to less than half of the regional LGAs. Of the 112 LGAs in regional Western Australia, 53 grew in population between 1996-2006, while 59 declined.

The demographic makeup of Western Australia has undergone significant change since the 1970's, particularly in family structure and household size and these changes have influenced the housing requirements of the state. Western Australia's median age has increased from 27 years in 1976 to 36 years in 2006. While the total population has increased 71% between 1976-2006, the number of children (aged less than 18 years) only increased 23%. Households containing five or more persons have declined from 23% of all households in 1976 to 10% at the last Census (2006). In 1976 slightly more than 37% of Western Australians lived in one or two person households, but by 1986 this figure had increased to 50%, and to 59% in 2006.

SETTLEMENT PATTERNS

From the 1960's onward a pattern of a declining rural population and an increasing urban population had been established in Western Australia. In 1976, 70% of Western Australians lived in the Perth metropolitan region and by 2006 Perth contained 74% of the state's population.

While Perth's share of the state population has continued to grow, there has been also been strong growth in coastal locations south of the metropolitan area, including Mandurah, Bunbury and the Busselton-Margaret River area and their surrounding regions.

This movement of population, often referred to as sea change, is part of a national trend and is often associated with a combination of retired persons and cheaper housing alternatives. While certain coastal areas have grown substantially there has been a general decline in many inland, rural areas. Traditional farming communities have especially witnessed declines in population, often leading to a loss of services and infrastructure.

In 2006 over one-quarter (26%) of Western Australia's population resided outside of the Perth metropolitan area, with three-quarters of them located in over 170 urban centres or localities and the rest located in rural areas.

LARGEST REGIONAL URBAN CENTRES(a), By population size(b) - Western Australia: 2006

	no.
Mandurah	67 812
Bunbury	54 483
Kalgoorlie-Boulder	28 241
Geraldton	27 420
Albany	25 197
Busselton	15 386
Karratha	11 727
Port Hedland	11 556
Broome	11 548
Esperance	9 534

(a) Excludes Perth.
(b) Place of usual residence count as at 30 June.
2006 Census of Population and Housing.

DWELLINGS

Between the 1996-2006 Censuses the number of occupied private dwellings in Western Australia grew 20%, from 629,303 in 1996 to 757,983 in 2006. Growth in occupied private dwellings was almost identical in Perth (21%) and regional Western Australia (20%). During the ten years to 2006 Western Australia's population increased 15%. With the growth in dwelling numbers outpacing population growth the average household size in Western Australia fell from 2.7 persons in 1996 to 2.5 persons in 2006.

The number of unoccupied private dwellings in the state grew by considerably more than the number of occupied dwellings between the 1996-2006 Censuses (up 32%). In Perth unoccupied dwellings increased 26% and in regional Western Australia they rose 39%. The largest increases in unoccupied private dwellings (in numeric and proportional terms) were in the Shires of Capel (up 231 or 103%), Augusta-Margaret River (up 998 or 128%), Nannup (up 133 or 111%), Busselton (up 1,251 or 61%), Laverton (up 107 or 289%) and Leonora (up 149 or 324%). The City of Mandurah, despite containing the largest number of unoccupied dwellings in regional Western Australia (5,801), only increased 17% between 1996-2006. This reflected Mandurah's growing permanent population as it shifted from a holiday centre with 42% unoccupied stock in 1971 to an urban centre with 19% unoccupied dwellings in 2006 (25% in 1996).

DWELLING OCCUPANCY, By number of dwellings - Western Australia

	1996	2001	2006	Change 1996-2006
	no.	no.	no.	%
OCCUPIED PRIVATE DWELLINGS				
Perth(a)	463 854	511 199	560 089	20.7
Regional Western Australia(b)	165 449	184 450	197 902	19.6
Western Australia - Total	*629 303*	*695 649*	*757 991*	*20.4*
UNOCCUPIED PRIVATE DWELLINGS				
Perth(a)	38 477	40 807	48 648	26.4
Regional Western Australia(b)	30 519	36 323	42 368	38.8
Western Australia - Total	*68 996*	*77 130*	*91 016*	*31.9*

(a) Perth Statistical Division
(b) Balance of state
1996, 2001 and 2006 Census of Population and Housing.

DWELLING STRUCTURE

At the 2006 Census there were 757,991 occupied private dwellings containing 1,885,143 persons in Western Australia. Perth accounted for 74% of these persons, leaving regional Western Australia with 197,902 occupied private dwellings containing 487,967 persons.

Western Australia's housing stock is predominantly separate houses, accounting for 81% of all occupied private dwellings in 2006. While Perth mirrors this tendency with 79% of occupied private dwellings being separate houses, the proportion of separate houses in regional Western Australia was higher at 86%. Medium to high density housing accounted for 18% of Western Australia's occupied private dwellings in 2006, but this was heavily influenced by Perth, with regional Western Australia having only 11% of their occupied private dwelling stock as medium to high density.

The major regional areas with medium to high density housing are predominantly in the north of the state. LGAs with significant tourism or mining activity dominate, with only Bunbury going against the trend.

EXTENT OF MEDIUM TO HIGH DENSITY HOUSING(a), By LGA - Western Australia - 2006

	Proportion of total occupied private dwellings
	%
Roebourne (S)	24.3
Bunbury (C)	24.1
Geraldton (C)	22.0
East Pilbara (S)	19.6
Carnarvon (S)	18.9
Laverton (S)	18.4
Port Hedland (T)	18.0
Kalgoorlie/Boulder (C)	17.5
Mandurah (C)	16.2
Wyndham-East Kimberley (S)	16.0
Perth(b)	*20.3*
Western Australia	**17.9**

(a) Comprises semi-detached houses, townhouses, flats, units and apartments.
(b) Perth Statistical Division.
2006 Census of Population and Housing.

At the 2006 Census just 0.8% of persons who usually resided in Western Australia were in 'other' dwellings such as caravans, cabins, houseboats, tents or flats attached to shops, etc. For Western Australia this was 8,051 such dwellings, housing 14,504 persons. This component of housing however was dominated by regional Western Australia, which accounted for 65% of 'other' dwellings and 68% of persons usually residing in such dwellings. The large proportion of people living in 'other' dwellings in regional Western Australia (mainly northern LGAs) is greatly influenced by a significant proportion of what are termed 'Grey Nomads' touring the north of the state and staying in 'other' dwellings during Census time.

PROPORTION OF USUAL RESIDENTS LIVING IN OTHER DWELLINGS(a), By LGA - Western Australia - 2006

	Proportion of total usual residents %
Halls Creek (S)	12.7
Shark Bay (S)	12.2
Wiluna (S)	11.8
Wyndham-East Kimberley (S)	10.5
Broome (S)	10.5
Yalgoo (S)	10.2
Exmouth (S)	10.1
Carnarvon (S)	8.6
Upper Gascoyne (S)	8.4
Nannup (S)	7.4
Perth(b)	*0.7*
Western Australia	**0.8**

(a) Comprises caravans, cabins, houseboats, tents or flats attached to shops, etc.
(b) Perth Statistical Division.
2006 Census of Population and Housing.

TENURE TYPE

At the 2006 Census regional Western Australia had a marginally higher proportion of occupied private dwellings that were fully owned, at 33%, than Perth with 32% (proportions exclude occupied dwellings where tenure was not stated). Regionally home ownership rates were highest in the Wheatbelt shires and lowest in the Pilbara.

In 2006 the proportion of houses that were fully owned in Western Australia had declined from a decade earlier, from 38% to 33%. The Perth and regional Western Australia proportions for dwellings fully owned changed at similar rates over the past ten years. While the proportion of fully owned dwellings is higher for regional Western Australia than Perth, the situation is reversed for dwellings being purchased. At the 2006 Census 41% of occupied private dwellings in Perth were being purchased as opposed to 32% in regional Western Australia.

There was a greater proportion of dwellings being rented (among occupied private

dwellings) in regional Western Australia (33%) than in Perth (26%) in 2006. Remote LGAs such as Ngaanyatjarraku, Halls Creek, Derby-West Kimberley and Ashburton all recorded over three-quarters of their usual residents living in rented dwellings. Much of this can be attributed to a larger component of public and community housing associated with Indigenous housing programs in remote communities. At the other extreme Wheatbelt shires reported low proportions of persons residing in rented dwellings, with Narrogin, Chittering, Cuballing and Woodanilling all under 10%.

PROPORTION OF USUAL RESIDENTS LIVING IN RENTED DWELLINGS, By LGA - Western Australia - 2006

HIGHEST	Proportion of total usual residents (%)	LOWEST	Proportion of total usual residents (%)
Ngaanyatjarraku (S)	91.4	Narrogin (S)	8.9
Halls Creek (S)	80.7	Chittering (S)	9.2
Derby-West Kimberley (S)	77.4	Cuballing (S)	9.4
Ashburton (S)	76.3	Woodanilling (S)	9.7
Laverton (S)	74.7	Wandering (S)	10.6
Upper Gascoyne (S)	69.8	Serpentine-Jarrahdale (S)	10.8
Wyndham-East Kimberley (S)	60.3	Westonia (S)	11.2
Menzies (S)	58.9	Mundaring (S)	11.7
Roebourne (S)	57.9	Tammin (S)	11.9
Broome (S)	54.3	Northam (S)	12.2

2006 Census of Population and Housing.

HOUSEHOLD TYPES

The distribution of household types in regional Western Australia in 2006 closely matched that in Perth, with single family households (includes two parent, single parent and couple only families) occupying approximately two-thirds of private dwellings and roughly a quarter occupied by lone person households. The remainder were in multiple family or group households.

Regional LGAs that reported atypical household arrangements included Ngaanyatjarraku with 22% of occupied private dwellings having two or more families residing in the dwelling, along with Halls Creek and Wiluna (9%) and Derby-West Kimberley (5%). Capel had the highest proportion of single family households (82%) as well as a low proportion of lone person households (12%).

Regional Western Australia (42%) had a higher proportion of couple families with no children than Perth, (37%) and slightly lower proportions of couple families with children (43% to 46%) and one parent families (14% to 15%). Both Perth and regional Western Australia had 10% of persons residing in lone person households.

MONTHLY HOUSING LOAN REPAYMENTS AND RENTS

Census data shows that Western Australians living in regional areas have lower housing

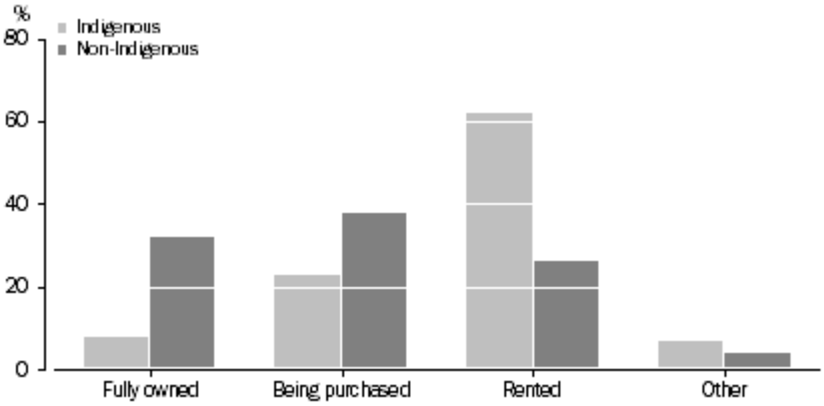
loan repayments and rents than their capital city counterparts. In 2006 the median monthly housing loan repayment in Western Australia was $1,213, up from $743 in 1996. This represents a rise of 63% over that decade. In that period the median household income rose 67%, from $635 to $1,063. Median weekly rents in Western Australia went from $110 in 1996 to $170 in 2006, up 55%.

For regional Western Australia the median monthly housing loan repayment was $1,083, 17% lower than the Perth median. Median weekly rents at the time of the 2006 Census were 28% higher in Perth ($180) than in regional Western Australia ($130). It is important to note however that median rent figures include a diverse range of rental arrangements, including private rental (renting from a real estate agent or private landlord), social (public and community housing) and employer provided housing, which may not necessarily reflect true market rent due to subsidised rent for the latter two categories.

INDIGENOUS HOUSING

In 2006 the housing tenure of Indigenous Western Australians differed markedly from that of non-Indigenous Western Australians. A much greater proportion (32%) of households without Indigenous Western Australians fully owned their dwellings, compared to Indigenous households (8%). The situation is more comparable for those households purchasing their dwellings, with 23% of Indigenous households and 38% of non-Indigenous households having this tenure type. Indigenous households were more likely to be renting, with 62% having that tenure type, opposed to 26% for non-Indigenous households. For those households renting, 60% of Indigenous households did so from a state housing authority, a housing cooperative or a church group, while 85% of non-Indigenous households that rent did so privately.

PROPORTION OF INDIGENOUS AND NON-INDIGENOUS PERSONS LIVING IN OCCUPIED PRIVATE DWELLINGS, By tenure type, Western Australia, 2006



Source: 2006 Census of Population and Housing

HOUSING FINANCE

Nationally about two-thirds of housing finance commitments are for owner occupation with the remainder for investment housing. Housing finance for owner occupation in Western Australia is dominated by the purchase of established dwellings. Between August 1996-2006 over 750,000 dwellings were purchased, either as construction, new dwellings or established dwellings. Established dwellings accounted for 83% of this figure (645,620) with

construction dwellings contributing 14% (109,279) and new dwellings 3% (23,020). The average amount financed by these three types of dwellings has remained comparable over the decade, though purchases of established dwellings did not rise to the same extent. The average amount for refinancing of established dwellings kept pace during this period.

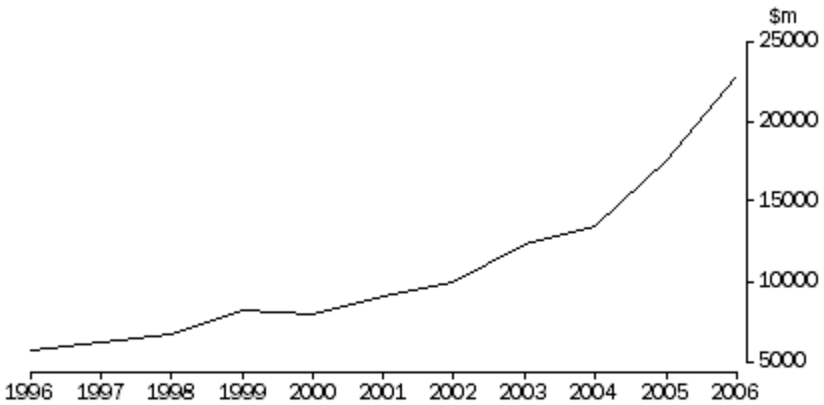
AVERAGE LOAN SIZE FOR OWNER OCCUPIED HOUSING, Western Australia

	August 1996 $	August 2001 $	August 2006 $
Construction of dwellings	91 000	131 800	240 200
Purchase of new dwellings	93 600	135 800	241 200
Purchase of established dwellings	97 500	122 000	212 500
Refinancing of established dwellings	89 700	101 500	182 600

Housing Finance, Australia, cat. no. 5609.0.

The number of housing finance commitments for owner occupation in Western Australia was relatively flat between 1996-2000 before experiencing a 9% increase in 2001 and maintaining this level in 2002. The number of commitments jumped again in 2003 (up 13%) and remained at that level for 2004. Another jump occurred in 2005 (up 16%), followed by a 13% increase in 2006. While numbers of commitments grew at a staggered rate, the value of those commitments grew slowly at first but accelerated from around mid-2004, growing at a faster rate than the number of commitments.

TOTAL VALUE OF HOUSING FINANCE FOR OWNER OCCUPATION, Western Australia



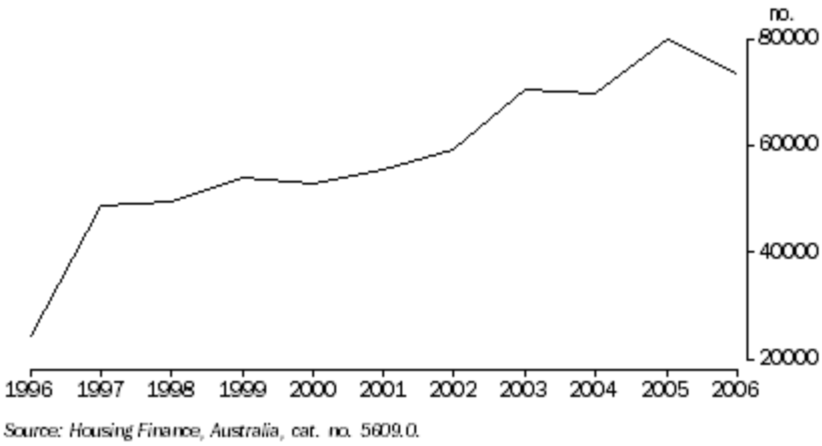
Source: *Housing Finance, Australia*, cat. no. 5609.0.

Between 1996-2006, 848,454 housing finance commitments were made by owner occupiers in Western Australia, for a total value of over $120 billion.

According to the Real Estate Institute of Western Australia, first home buyer finance commitments between 1996-2006 showed a high degree of volatility, much of which can be explained by affordability pressures and/or policy influences. The dip in commitments into 2000 and subsequent rapid rise, reflected the effects of the introduction of the GST and the introduction of the $7,000 First Home Buyers Grant in July 2000 which was subsequently increased to $14,000, for a period from March 2001. Likewise housing affordability drove down approvals until the State Government offered stamp duty relief in mid-2004.

FIRST HOME BUYERS, Number of housing finance commitments (owner occupation), Western Australia

NON-FIRST HOME BUYERS, Number of housing finance commitments (owner occupation), Western Australia



SELECTED REGIONAL ANALYSIS

Western Australia comprises 142 Local Government Areas (LGAs), 30 of these within the Perth Statistical Division. Additionally the ABS recognises 65 urban centres with 14 of these in the Perth metropolitan area. This regional housing analysis will look at 11 areas outside of Perth, most of which have shown strong growth between the 1996-2006 Censuses. It will examine a range of variables including Census counts of population and housing, building approvals and house, unit and land sales. For the non-Census variables the period covered is 1996-2006 inclusive. Real Estate Institute of Western Australia (REIWA) data on regional housing and land sales has also been used. For comparison Perth's median house price figures for the respective Census years were $128,000 in 1996, $173,000 in 2001 and $410,000 in 2006. Where there are disconnects between geographies the most reasonable approximation is used and noted.

The areas selected for analysis are diverse geographically, economically and in classification terms. They were chosen because of their significance in housing terms, as well as their spread around the state. Below is a description of the geographic areas highlighted in this article in terms of their relationship to the 2006 Australian Standard Geographic Classification (ABS cat. no. 1216.0).

- Albany, which is the City of Albany.

- Avon Arc is a REIWA defined region which comprises the Shires of Beverley, Chittering, Toodyay, York and Northam and the Town of Northam (which now incorporates the Town and Shires of Northam that amalgamated in July 2007). Building approvals data covers all the LGAs listed above.
- Broome, which is the Shire of Broome.
- Bunbury is the Bunbury Statistical Subdivision which covers the LGAs of the City of Bunbury plus the Statistical Local Areas of Capel Part A, Dardanup Part A and Harvey Part A. Part As of the Shires of Capel, Dardanup and Harvey are the urban portions fringing the City of Bunbury. Building approvals data covers all of the LGAs listed above.
- Busselton, which is the Shire of Busselton.
- Dalwallinu, which is the Shire of Dalwallinu.
- Geraldton, which is covered by the Geraldton Statistical Subdivision. This comprises the City of Geraldton and the adjoining urban portion of the Shire of Greenough. These two LGAs were amalgamated in mid-2007 to form the City of Geraldton-Greenough. Building approvals data includes both LGAs. REIWA data is taken from their Regional Centres dataset, termed Geraldton-Greenough.
- Kalgoorlie is the Statistical Local Area of Kalgoorlie Part A which covers the urban portion of the City of Kalgoorlie/Boulder. It is referred to by REIWA as Kalgoorlie-Boulder. Building approvals data covers the entire LGA.
- Karratha is the Urban Centre of Karratha for both Census and REIWA data. Building approvals data covers the Shire of Roebourne, of which Karratha is part.
- Leonora, which is the Shire of Leonora.
- Mandurah is the Mandurah Statistical Subdivision which comprises the LGAs of the City of Mandurah and the Shire of Murray.

ALBANY

The City of Albany covers the former Town of Albany which amalgamated with the Shire of Albany in 1998. At the 2006 Census there were 31,575 usual residents, an increase of 15% since the 1996 Census. There were 12,058 occupied private dwellings reported in Albany in 2006, 20% more than in 1996.

In 1996 the median household weekly income in Albany was $475 and the median monthly housing loan repayment was $744. These figures in 2006 were $847 and $1,050 respectively, indicating a 78% rise in income but only a 41% rise in mortgage repayments. During that period median weekly rents increased 50%, from $100 to $150.

Separate houses dominated dwelling structure types in Albany in 2006, accounting for 87% of all occupied private dwellings. This proportion has remained virtually unchanged over the 1996-2006 period. The most common type of tenure in Albany was fully owned dwellings, which accounted for 38% of occupied private dwellings. Dwellings being purchased were the next most common at 31%, with 29% of dwellings rented. Since 1996 there has been an increase in the proportion of dwellings being purchased while dwellings fully owned have declined proportionally.

ALBANY, Tenure type of occupied private dwellings

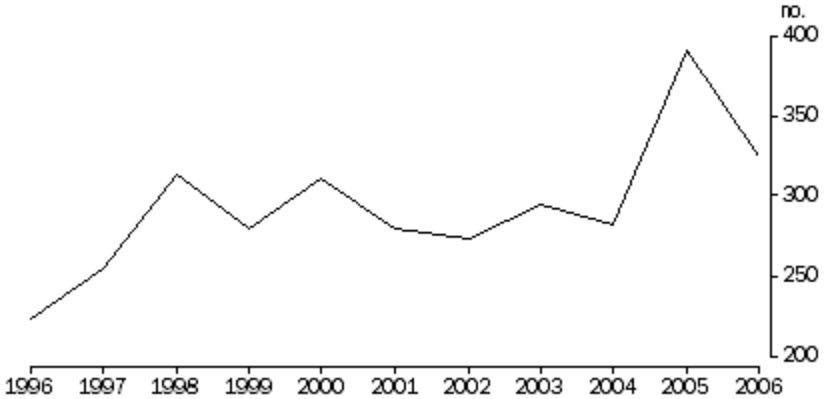
	1996 %	2001 %	2006 %

Fully owned	45.9	43.1	38.1
Being purchased	24.0	26.1	31.4
Rented	29.0	29.5	29.4
Other	1.1	1.2	1.1

1996, 2001 and 2006 Census of Population and Housing.

Between 1996-2006 there were 3,226 new house approvals for the City of Albany. There was an increase in approvals in 2005 and 2006 compared to previous years. The average value of new house approvals rose from just under $53,000 in 1996 to just over $215,000 in 2006. The largest annual rise in average value (up 29%) occurred in 2006.

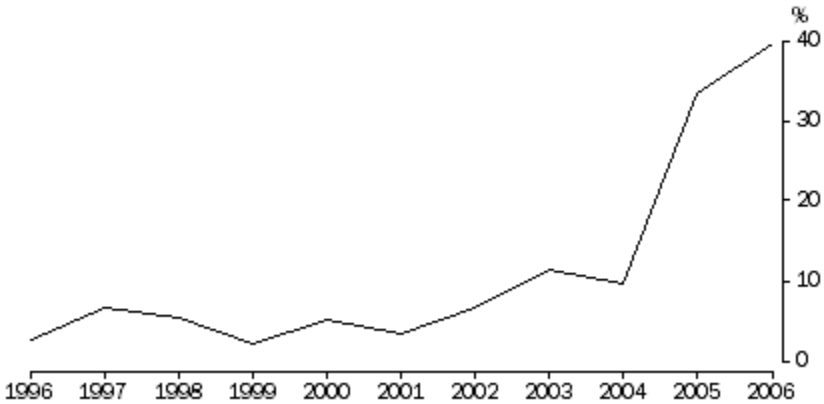
ALBANY, Number of new house approvals



Source: Building Approvals, Australia, cat. no. 8731.0.

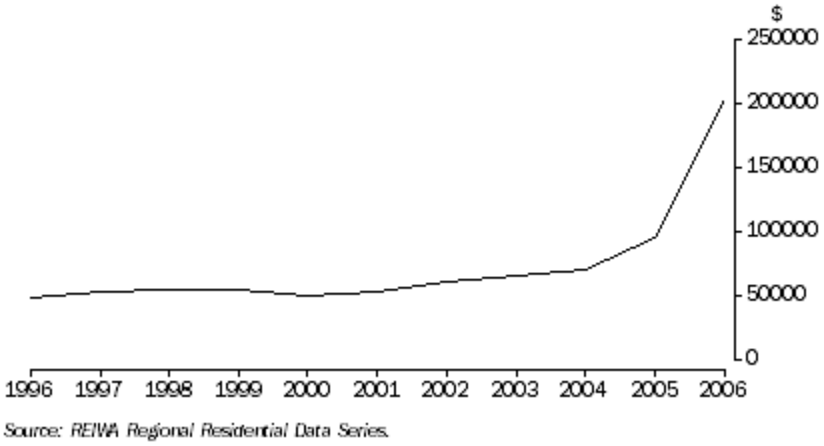
In the period 1996-2006 there were 8,034 sales of houses in Albany. The median house price more than tripled from $120,000 in 1996 to $363,000 in 2006. The bulk of this growth occurred in the most recent years with both 2005 and 2006 recording annual growth of well over 30%. Residential land sales recorded a dramatic upsurge at the end of the 1996-2006 period with the median residential land sale price, which had gone from $48,000 in 1996 to $95,000 in 2005, experiencing a 112% rise in 2006, to $201,500.

ALBANY, Change in the median price of house sales



Source: REIWA Regional Residential Data Series.

ALBANY, Median price of land sales



AVON ARC

The Avon Arc is the area wrapped around the northern and eastern boundaries of the Perth metropolitan region and comprises the LGAs of Northam Town and Shire and the Shires of Beverley, Chittering, Toodyay and York.

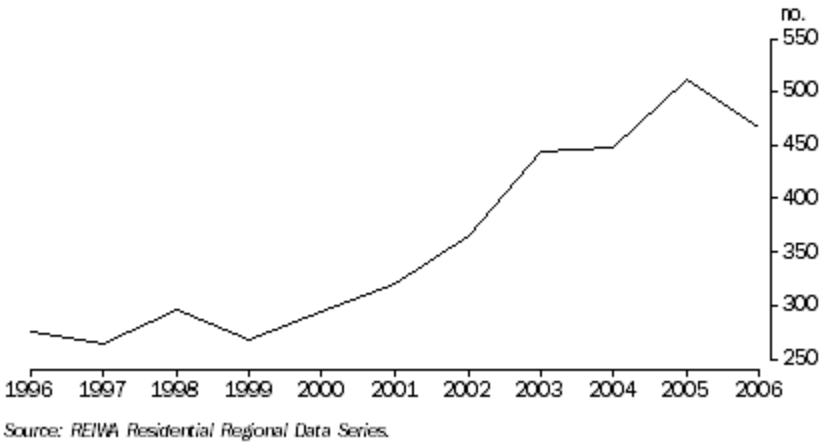
At the 2006 Census 22,110 persons were usual residents of Avon Arc, up 5% from the 21,046 at the 2001 Census, which in turn was 9% above the 1996 Census figure of 19,324 persons.

There were 8,156 occupied private dwellings reported in the Avon Arc at the 2006 Census with 40% fully owned, 38% being purchased and 18% rented. Separate houses accounted for 94% of these dwellings. The total number of dwellings in 2006 represented a 19% increase from 1996. Since 1996 there has been a change in the tenure type of dwellings with the proportion of fully owned dwellings declining from 47%, dwellings being purchased rising from 29% and rented dwellings falling from 24%.

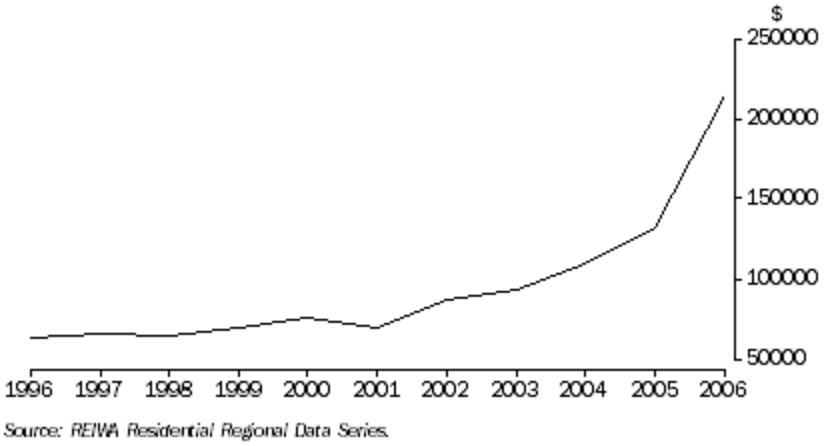
Between 1996-2006 there were 2,428 building approvals for new houses in the Avon Arc, with the number of approvals being steady in each year throughout the period. Over the same period, the value of approvals in the Avon Arc totalled more than $276 million, with the average value of approvals almost quadrupling from $40,911 in 1996 to $163,162 in 2006.

The Avon Arc has seen a surge in land and house sales since 2003 as the area offered affordable lifestyle opportunities in relative close proximity to Perth. The median house price for the area grew by a modest 11% over the 1996-2001 inter-censal period, 57% in the three years between 2001-2004 and by a very large 95% between 2004-2006. The growth in prices has not been confined to any one local authority within the Avon Arc area despite the large variation in median house prices between local authorities in 2006: Beverley ($199,000), Northam ($205,000), York ($270,000), Toodyay ($310,000) and Chittering ($380,000).

AVON ARC, Number of house sales



AVON ARC, Median price of house sales



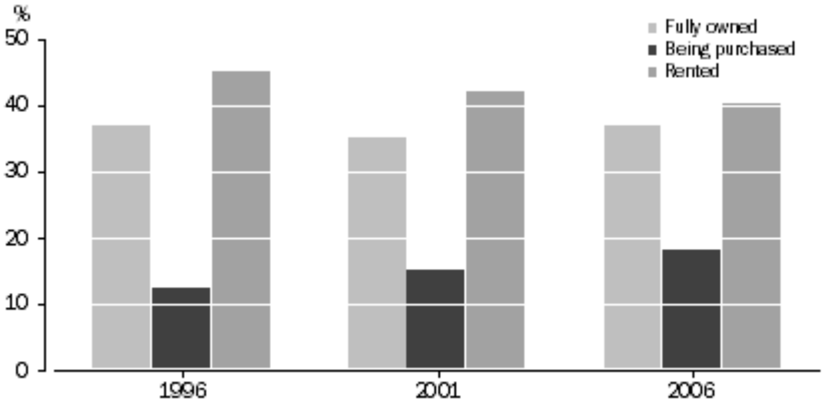
BROOME

As a tourist destination Broome's population and housing requirements is heavily influenced by non-residents. In 2006 there were 19,783 persons recorded in Broome on Census night, with only 59% (11,753) of them usual residents of the area. The remaining 41% (8,030) persons were visitors to the area. The bulk of these visitors (51%) came from Western Australia with a large number of persons also visiting from New South Wales (14% or 1,154) and overseas (8% or 617).

When looking at those counted in Broome on Census night there were a relatively high proportion of them residing in 'other' dwellings - caravans, cabins, houseboats, improvised homes, tents, sleepers out and houses or flats attached to shops, offices, etc. In 2006, 11% (1,171) of persons in occupied private dwellings in Broome were residing in 'other' dwellings, compared to the state average of just 1%.

In Broome, 37% of occupied private dwellings were fully owned in 2006, the same proportion as in 1996. Occupied private dwellings being purchased in Broome increased from 12% to 18% between 1996-2006, while the proportion of rented dwellings fell from 48% to 40%.

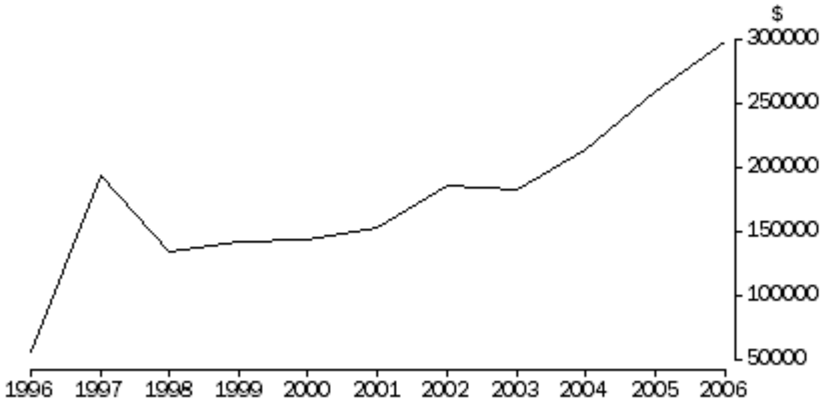
BROOME, Tenure type of occupied private dwellings



Source: 1996, 2001 and 2006 Census of Population and Housing.

Building activity has been steady in Broome between 1996-2006 with 1,586 new building approvals valued at $282 million. The number of approvals has increased slowly over the decade, while average values of new house approvals have risen 438% in that time, from $55,387 in 1996 to $297,972 in 2006.

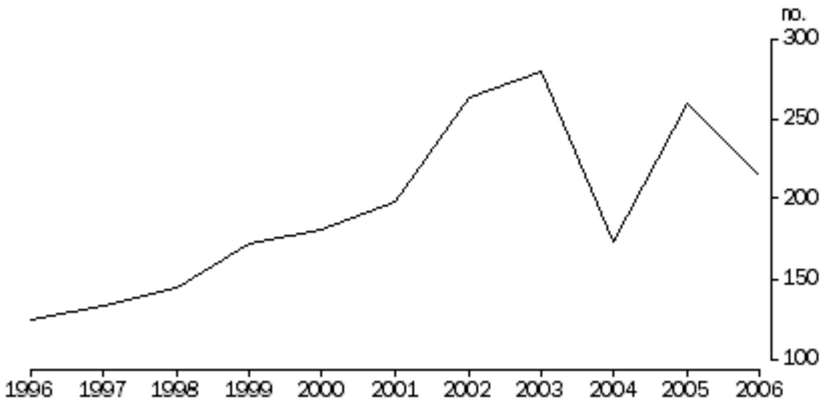
BROOME, Average value of new house approvals



Source: Building Approvals, Australia, cat. no. 8731.0.

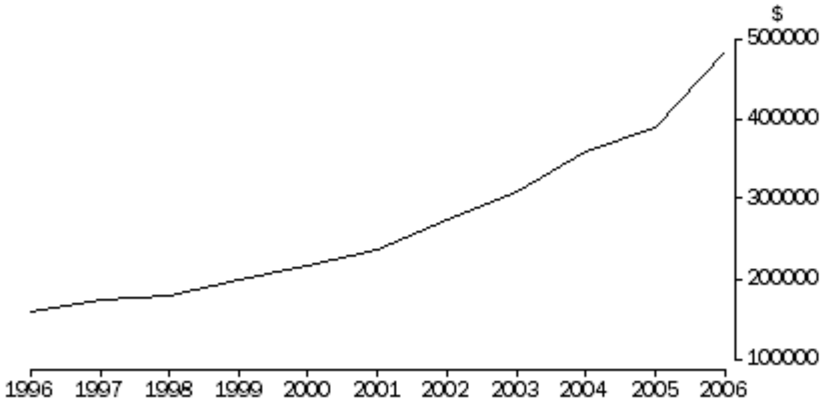
Between 1996-2006 there were 2,145 house sales and 1,114 unit sales in Broome. Median house and unit prices both rose by an average of 11% per year over the period. Median house prices had a standout year in 2006 with an increase of 24%, while prices of units grew 26% in both 2003 and 2006. The average house price in Broome increased from $166,612 in 1996 to $556,052 in 2006 and the average unit price went from $132,873 to $424,480. The median prices for both house ($160,000) and unit ($128,000) sales in Broome began at similar levels to their average prices in 1996. By 2006 however the median price of house ($482,500) and unit ($362,000) sales were significantly lower than their average prices, reflecting larger price increases in the property valued at the higher end of the market. A limited supply of residential land in Broome, initially due to native title claims, may well have contributed to this strong growth in house prices as well as higher building costs in the state's north west.

BROOME, Number of house sales



Source: REIWA Regional Residential Data Series.

BROOME, Median price of house sales



Source: REIWA Regional Residential Data Series.

BUNBURY

The Bunbury Statistical Subdivision consists of the City of Bunbury and parts of the adjoining Shires of Harvey, Dardanup and Capel. In 2006 it had a population of 54,967 persons comprising 29,702 persons in the City of Bunbury, 11,537 persons in the Shire of Harvey, 7,720 persons in the Shire of Dardanup and 6,011 persons in the Shire of Capel. This total population has grown by one-third since 1996, with the vast majority of that growth occurring in the three shires adjoining the City of Bunbury. Between 1996-2006 the population of the City of Bunbury only increased by around 3,000 persons while the adjoining three shires recorded population growth of over 10,000 persons.

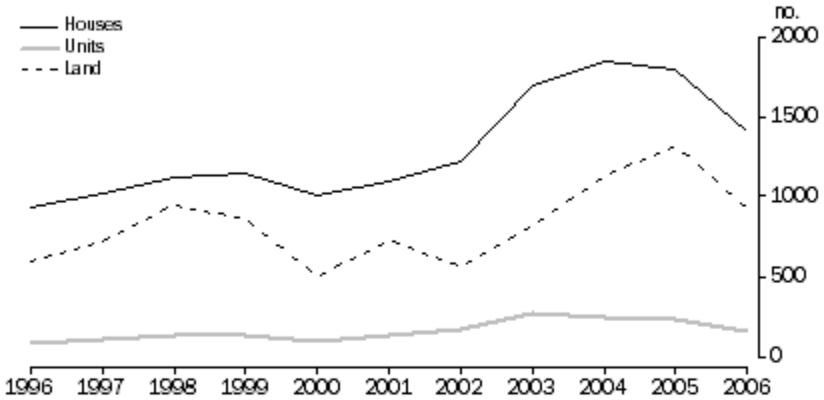
A large number of usual residents of Bunbury lived in separate houses in 2006 (44,683 persons in 16,358 dwellings). The rest lived in semi-detached, row or terrace houses, townhouses, etc (3,310 persons in 1,904 dwellings); flats, units or apartments (1,488 persons in 951 dwellings); and 'other' dwellings (379 persons in 233 dwellings). These proportions remained fairly steady between 1996-2006.

For all occupied private dwellings in Bunbury in 2006, 30% were fully owned, 41% were being purchased and 29% were rented. This contrasts with 1996 which showed a higher proportion of fully owned (35%) and rented (32%) dwellings, but a lower proportion of dwellings being purchased (33%).

Between 1996-2006 there were 10,312 new houses approved at a total value of over $1.3 billion for the LGAs covered in Bunbury Urban (i.e. the City of Bunbury and the Shires of Capel, Dardanup and Harvey combined). Approvals have grown at their strongest rate during the period 2004-2006, averaging almost 1,246 approvals per year. The average value of approvals was $44,026 in 1996 which almost trebled to $130,990 in 1997. Since then it has increased to just under $200,000 in 2006, with growth of around 20% in each of the two latest years.

House, unit and land sales have been strong in Bunbury. The REIWA region of Greater Bunbury has seen over 14,000 house sales, just under 1,800 unit sales and just over 9,000 land sales between 1996-2006.

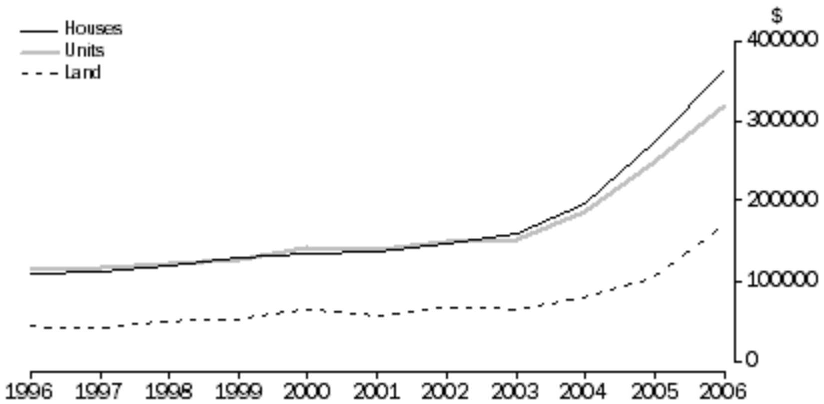
BUNBURY, Sales of houses, units and land



Source: *REIWA Regional Residential Data Series.*

The median price of house sales in Greater Bunbury rose from $108,000 in 1996 to $365,000 in 2006 (up 238%), while unit sales prices went from $114,000 to $320,000 (up 181%) over the same period. Residential land sales in Greater Bunbury rose from a median price of $43,500 in 1996 to $170,000 in 2006, with the most recent years exhibiting very strong growth: 21% in 2004, 34% in 2005 and 61% in 2006. The very strong house price growth in Greater Bunbury between 2003-2006 subsided in the latter half of 2006, as the market returned to a more sustainable pattern of prices growth.

BUNBURY, Median price of house, unit and land sales



Source: *REIWA Regional Residential Data Series.*

BUSSELTON

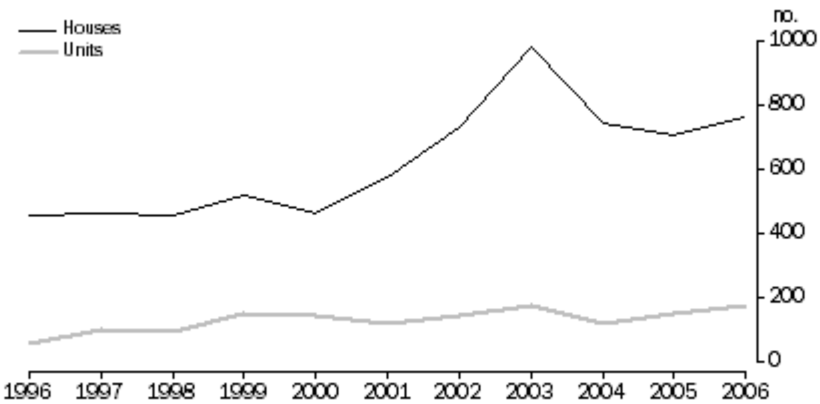
In August 2006 the Shire of Busselton had 25,355 usual residents, an increase of 45% from 1996 (17,444). This growth in population was supported by a commensurate increase in housing stock over that period. In terms of occupied private dwellings, the number of separate houses rose from 6,538 in 1996 to 9,550 in 2006 (up 46%). Medium density housing of semi-detached, row or terrace house, townhouses etc. rose from 475 dwellings in 1996 to 575 dwellings in 2006, while high density housing of flats, units and apartments fell from 355 to 243 over the decade. There was a slight increase in 'other' dwellings from 271 to 304 over the period, including caravans and houseboats.

In 2006, 88% of occupied private dwellings in Busselton were separate houses, up from 82% in 1996. The tenure type of separate houses was evenly divided between being fully owned, being purchased and rented. While the proportion of rented dwellings remained similar to 1996 there was a marked shift in the ownership categories of fully owned (down from 43%) and being purchased (up from 22%). Monthly housing loan repayments increased significantly in Busselton between 1996-2006. In 1996, 56% of monthly housing loan repayments were between $400-$949 with a median of $604, whereas in 2006 the median monthly housing loan repayment was $1,213 and the median monthly rent was $780. Over that same period the median monthly household income went from $1,937 to $4,160.

Between 1996-2006 there 5,845 new house approvals in Busselton to a total value of $935 million. The average value of approvals rose from $46,688 in 1996 to $257,797 in 2006, an increase of 452%.

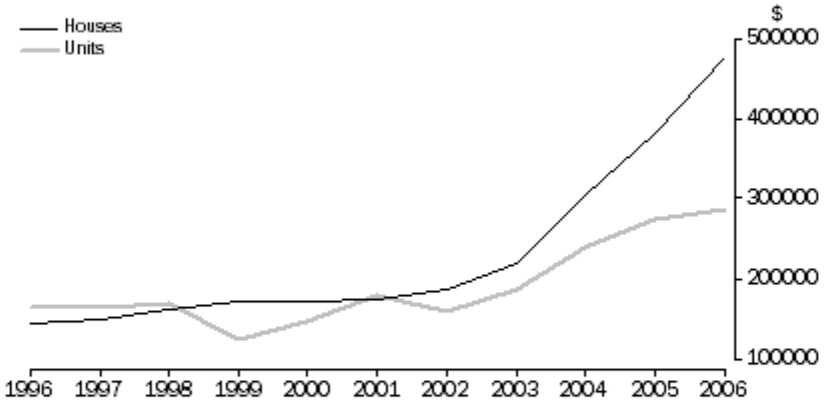
Real estate activity has been strong in Busselton in the period 1996-2006. House sales grew steadily between 1996-2000 at around 470 houses per year, but then increased to 573 sales in 2001, 727 sales in 2002 and 978 sales in 2003. House sales then eased to 739 (2004), 700 (2005) and 758 (2006). The median price of Busselton houses rose gradually in the years 1996-2002, from $145,00 to $188,000, and then began to accelerate, increasing 26% per year on average over the next four years, finishing at a median price of $475,000 in 2006.

BUSSELTON, Sales of houses and units



Source: REIWA Regional Residential Data Series.

BUSSELTON, Median price of house and unit sales



Source: REIWA Regional Residential Data Series.

Busselton has also experienced an increase in sales of units between 1999-2006, averaging 146 sales per year. The median price of units sold in 1996 was $165,500, $190,000 lower than the median price of house sales in that year. The median price of house sales rose to $285,000 by 2006, with the price of unit sales only $20,000 lower. Between 1996-2006 almost 5,000 sales of land were made in Busselton, from a median price of $71,250 in 1996 to $233,500 in 2006.

DALWALLINU

While coastal and mining related regions of the state in general showed growing populations over the last ten years, this was not always the case for inland agricultural areas. A good example is the Shire of Dalwallinu.

Between 1996-2006 the demography of Dalwallinu changed significantly. The median age increased from 30 to 36 years. The number of children attending school declined by more than a third from 353 children in 1996 (267 primary students and 86 secondary students) to 224 children in 2006 (150 primary students and 74 secondary students). In 1996 occupied private dwellings in Dalwallinu mainly housed couple families with children (44%), couple only families (21%) and lone person households (19%). By 2006 the proportion of couple families with children fell to 39% due to increases in couple only families (33%) and lone person households (23%). Dalwallinu's median weekly household income did not keep pace with growth at the state level. In 1996 Dalwallinu had median weekly household income of $623, 98% of the Western Australian figure of $635. By 2006 Dalwallinu's median weekly household income had increased to $967, 91% of the state figure of $1,063.

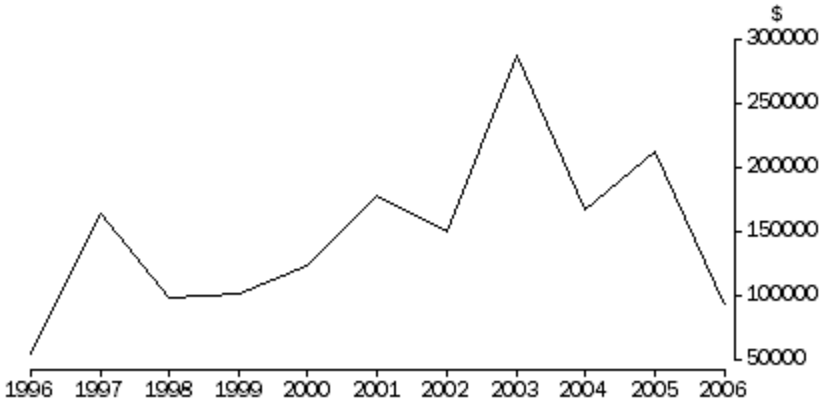
In 1996 Dalwallinu had a population of 1,706 persons and 566 occupied private dwellings. By 2006 these figures had fallen to 1,369 persons and 509 occupied private dwellings. The average household size in Dalwallinu fell from 3.0 persons in 1996 to 2.7 persons in 2006. In 1996 just over half of these dwellings (52%) were fully owned, 16% were being purchased and 31% rented. In 2006 the proportion of dwellings fully owned fell to 47%, dwellings being purchased rose to 23% and rented dwellings fell marginally to 30%.

Real estate activity in the Shire of Dalwallinu was extremely flat between 1996-2006, with only 235 house sales in total, at an average of 21 sales per year. The median price of house sales rose 95% over the period, from $40,100 to $78,000, and the average price of houses

rose by a lesser 73%, from $46,126 to $79,594. Between 1996-2006 there were 59 sales of residential land valued at $561,604 in total.

There were only 62 houses approved for construction in Dalwallinu valued at over $7.5 million in the period 1996-2006. Average values of houses showed considerably fluctuation over the last ten years despite the 2006 figure being only slightly higher the 1996 figure.

DALWALLINU, Average value of new house approvals



Source: Building Approvals, Australia, cat. no. 8731.0.

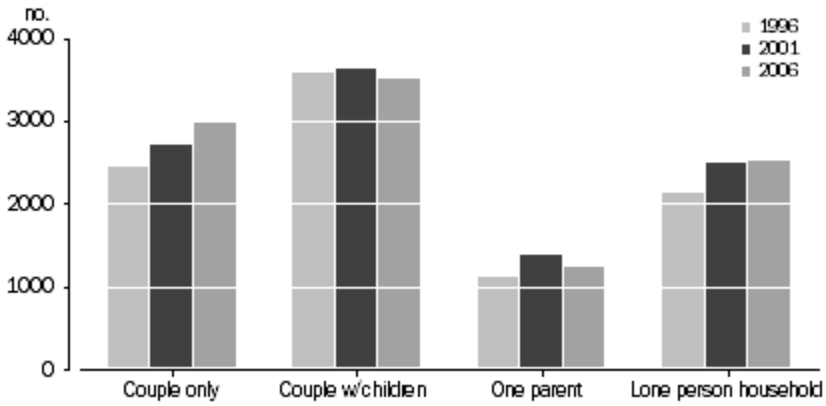
GERALDTON

The Geraldton Statistical Subdivision (SSD) includes the City of Geraldton and the surrounding urban area which is part of the Shire of Greenough. On the night of the 2006 Census Geraldton SSD had a usual resident population of 31,553 persons, representing an 11% increase from the 1996 Census. Of all usual residents in the Geraldton SSD, 27,887 were housed in 10,890 private dwellings, of which 84% (9,144) were separate houses.

The median age of Geraldton SSD residents increased from 31 to 35 years between 1996-2006. The median weekly household income in Geraldton SSD in 2006 was $958, 66% higher than the median weekly household income in 1996. The median weekly housing loan repayment in Geraldton SSD was $242 in 2006, 49% higher than in 1996. Rents had increased 40% over the same period, rising from a median weekly figure of $100 to $140.

There was significant change in the composition of families in the Geraldton SSD based on place of enumeration Census data. Between 1996-2006 there were large increases in occupied private dwellings containing couple families with no children (up 23%) and lone person households (up 18%), while dwellings with couple families with children declined 3%.

GERALDTON, Family composition of occupied private dwellings

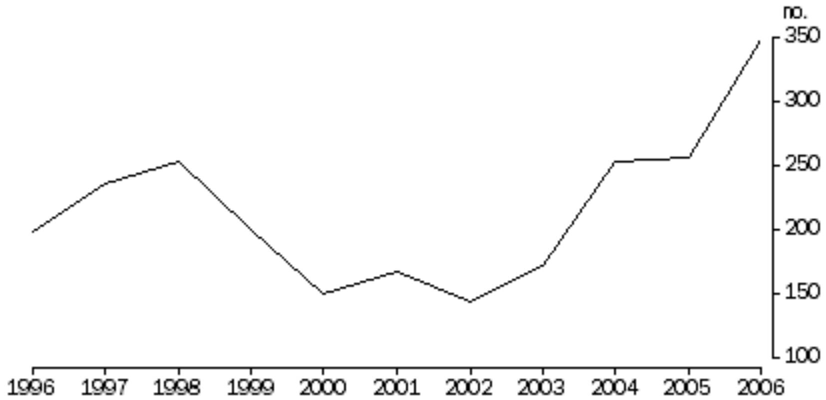


Source: 2006 Census of Population and Housing.

The proportion of dwellings fully owned and rented in the Geraldton SSD declined equally between 1996-2006, from 35% to 32%, while the proportion of dwellings being purchased increased from 30% to 36%. The mix of housing types changed between 1996-2006. The proportion of separate houses increased from 81% to 83%, medium density housing (i.e. semi-detached houses and townhouses) fell from a proportion of 10% to 5% and the proportion of high density housing (i.e. flats and apartments) rose from 5% to 9%.

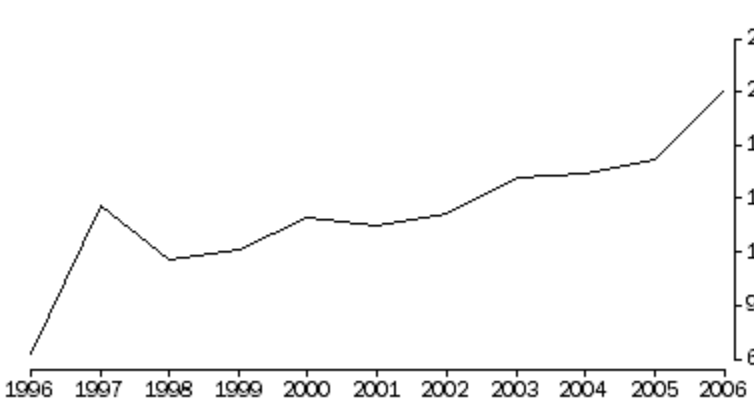
Between 1996-2006, 2,371 new houses were approved for construction in the LGAs of Geraldton and Greenough. Approvals in the City of Geraldton have been relatively stagnant at around 50 per year whereas approvals in the Shire of Greenough have been higher and increasing in recent years, as it accommodates for most of the population growth in the area.

GERALDTON AND GREENOUGH, Number of new house approvals



Source: Building Approvals, Australia, cat. no. 8731.0.

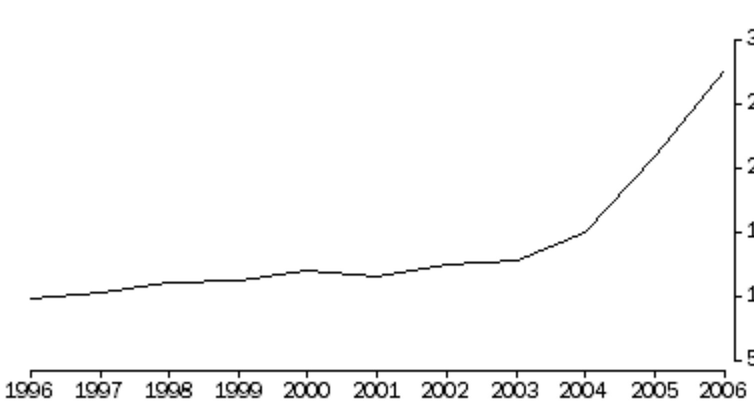
GERALDTON AND GREENOUGH, Average value of new house approvals



Source: *Building Approvals, Australia, cat. no. 8731.0.*

Between 1996-2006 there were 8,189 houses sold in Geraldton/Greenough. Both the average and median price of these houses fluctuated over the period but were substantially higher in 2006 than in 1996. The median price in 1996 ($98,000) grew by a modest 18% in the five years to 2001 ($115,500), but then increased 138% to $275,000 in the five years to 2006. The strongest growth in median house prices was recorded in 2004 (up 17%), 2005 (up 39%) and 2006 (up 32%).

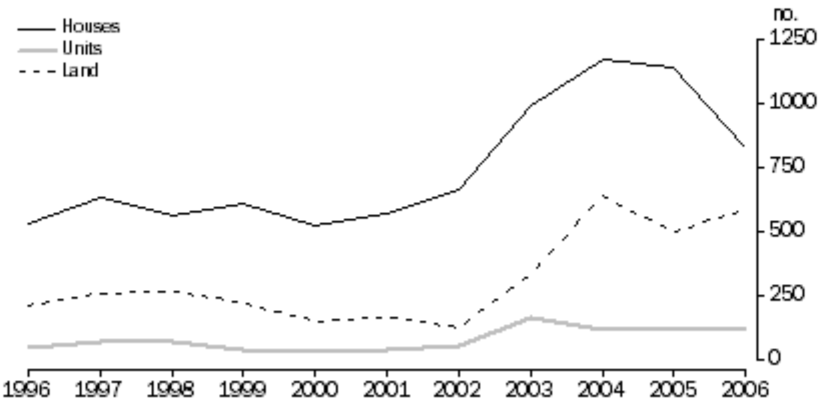
GERALDTON/GREENOUGH, Median price of house sales



Source: *REIWA Regional Residential Data Series.*

Land sales were strong in Geraldton/Greenough between 1996-2006 with 3,437 sales at a total cost of almost $289 million. Between 1996-2004 the median price of land grew from $43,000 to $61,000, an increase of 42%. In the next two years however median land prices surged 49% in 2005 and 52% in 2006 to $125,000 in 2006. This represents an overall increase of 191% between 1996-2006.

GERALDTON/GREENOUGH, Sales of houses, units and land



Source: REIWA Regional Residential Data Series.

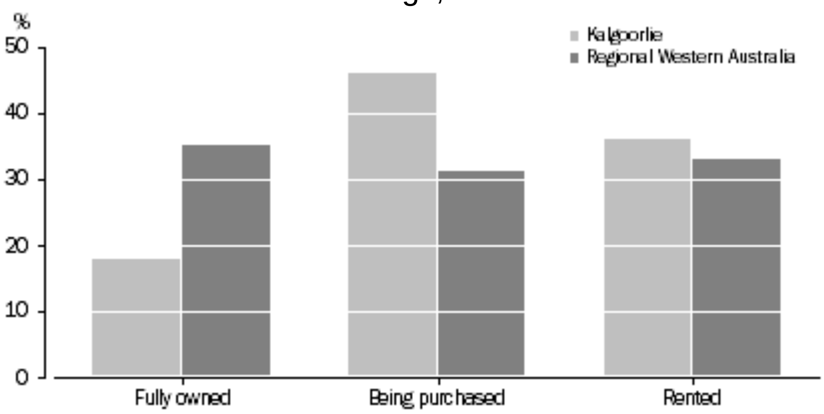
KALGOORLIE

The urban part of the City of Kalgoorlie/Boulder recorded 28,241 usual residents at the time of the 2006 Census, similar to the number ten years earlier. Separate houses dominated the dwelling stock of Kalgoorlie, accounting for 90% of all occupied private dwellings.

Between the 1996-2006 Censuses Kalgoorlie experienced large increases in both incomes and housing costs. The median weekly household income increased 157%, from $589 to $1,512, and the median monthly housing loan repayment rose 233%, from $360 to $1,200. Despite these increases median weekly rents increased only 13%, from $150 to $170.

Tenure types are different in Kalgoorlie to those generally found in other parts of regional Western Australia. In 2006 the proportion of fully owned dwellings in Kalgoorlie (18%) was much less than the proportion found across regional Western Australia (33%). However there was a much larger proportion of dwellings being purchased in Kalgoorlie than in regional Western Australia. The proportions of rented dwellings did not differ significantly.

KALGOORLIE AND REGIONAL WESTERN AUSTRALIA, Tenure type of occupied private dwellings, 2006

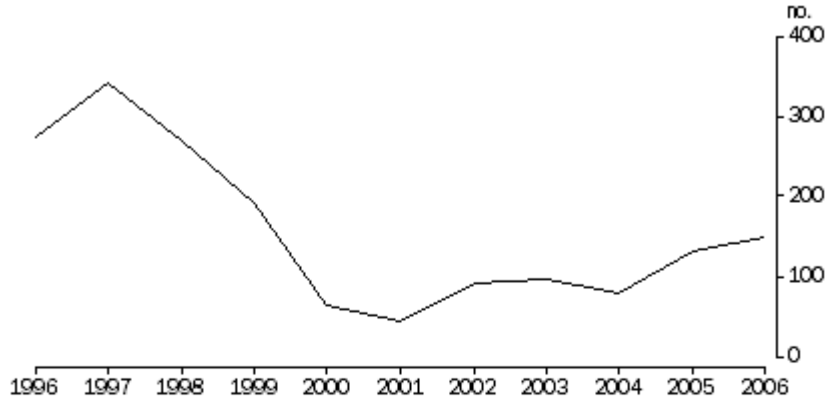


Source: 2006 Census of Population and Housing

Building approvals for new houses in the City of Kalgoorlie/Boulder totalled 1,733 between 1996-2006. The number of approvals were inconsistent from year-to-year with a peak in house approvals of 342 in 1997 (342), a large decline to 44 approvals in 2001, followed by a

gradual rise to 150 approvals in 2006. The total value of house approvals was a little over $238 million over the ten year period, with the average value of house approvals rising 516% from $38,909 in 1996 to $239,645 in 2006.

KALGOORLIE/BOULDER, Number of new house approvals



Source: *Building Approvals, Australia*, cat. no. 8731.0.

Between 1996-2006 there were over 11,000 house sales in Kalgoorlie-Boulder and 1,371 unit sales, with the volume of sales heavily weighted toward the most recent years. For house sales the years 1996-2002 averaged 788 sales per year, while between 2003-2006 the average was 1,389 house sales per year. For unit sales the comparable figures were 91 sales and 183 sales. Land sales defied this pattern being strongest in the years 1996-1998.

The increase in median sales prices were stronger for houses than for units between 1996-2006, from $138,000 to $225,000 for houses and $132,000 to $178,00 for unit sales.

KARRATHA

Karratha is the largest town in the Shire of Roebourne and at the 2006 Census had a usual resident population of 11,725. This was an increase of 9% from the 2001 Census and a 17% increase from the 1996 Census. The median age of residents of Karratha was 30 years in 2006, 6 years younger than the Western Australian median age of 36 years.

At the time of the 2006 Census 84% of Karratha residents were housed in private dwellings. The occupied private dwelling count was 3,401, comprising 2,441 separate houses, 632 semi-detached/row/townhouses, 119 flats/units/apartments and 209 'other' dwellings. Compared to 2001 the number of separate houses grew only marginally, but there was nearly a trebling of flats/units/apartments, up from 41 in 2001 to 119 in 2006.

There was a jump in the proportion of private dwellings being rented in Karratha in 2006 while dwellings fully owned or being purchased declined slightly. The high proportion of rental households is attributed to a very high level of employer provided housing for both the resource sector and government employees.

KARRATHA, Tenure type of occupied private dwellings

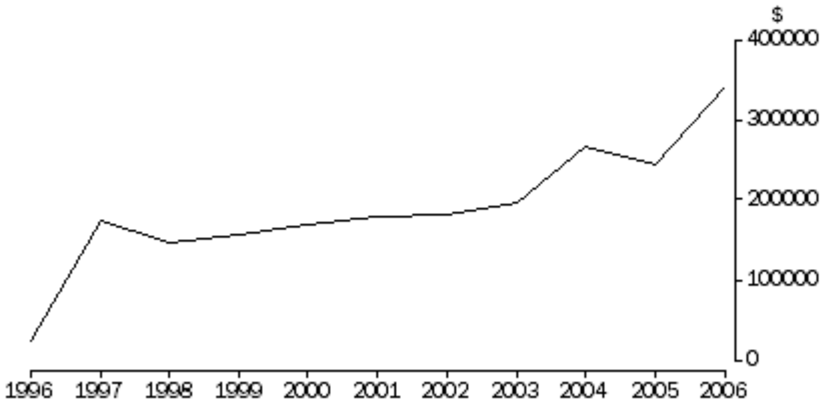
	1996	2001	2006

	%	%	%
Fully owned	10.9	12.6	10.2
Being purchased	25.6	25.3	24.8
Rented	58.0	55.7	62.0
Other	5.5	6.4	3.0

1996, 2001 and 2006 Census of Population and Housing.

Between 1996-2006, 917 new house approvals were made in the Shire of Roebourne, of which Karratha is the major centre. The annual number of approvals fluctuated over the period from a high of 161 in 1997 to a low of 22 in 1999. In the period 2005-2006 approvals were strong at 133 and 130 respectively. The average value of new housing approvals in Roebourne has increased substantially from $23,661 in 1996 to $340,197 in 2006.

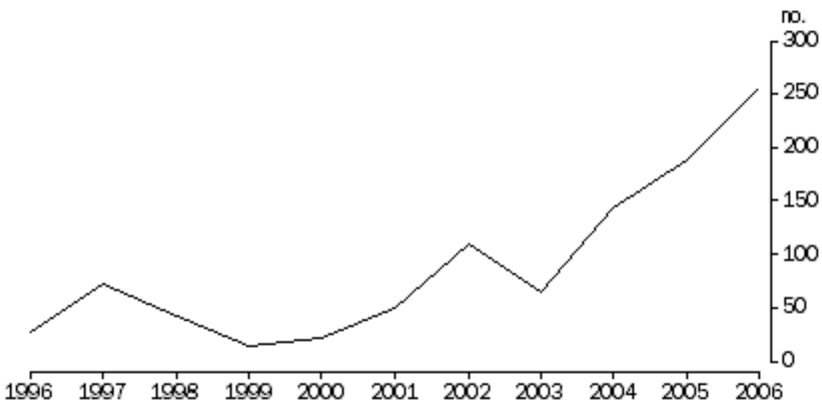
ROEBOURNE, Average value of new house approvals



Source: Building Approvals, Australia, cat. no. 8731.0.

From 1996-2006 there were 2,640 sales of houses in Karratha with the median price rising from $142,500 to $475,000. Growth in median house prices was strong in 2005 (31%) and 2006 (43%). There were 533 unit sales in Karratha between 1996-2006 with the median price of units increasing by less than houses, from $122,500 to $315,000. Between 1996-2006, 996 residential lots of land were sold in Karratha, with more than half sold between 2004-2006 (589).

KARRATHA, Number of land sales



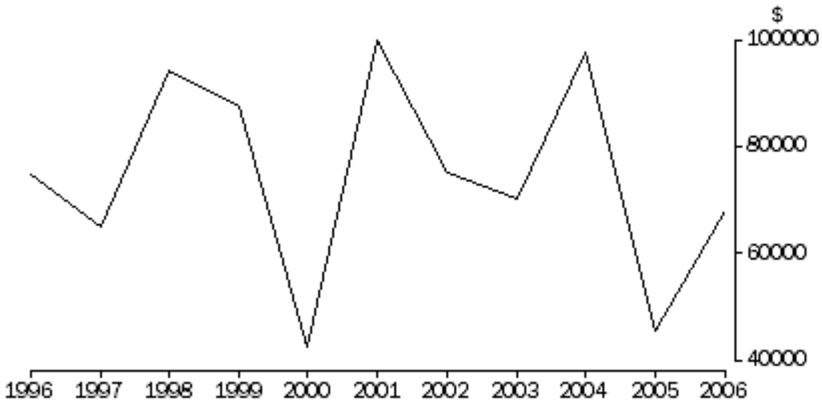
Source: REIWA Regional Residential Data Series.

LEONORA

In 2006 there were 1,412 usual residents of Leonora and 473 occupied private dwellings, a notable decline from 1996 - 2,683 usual residents and 591 occupied private dwellings. In 2006 however a large proportion of dwellings were listed as unoccupied (29%). On Census night 2006, 44% (1,033) of the people counted in the Shire were visitors. In 1996 a lesser proportion of 32% (1,129) were counted as visitors in Leonora.

Between 1996-2006 there were 150 house sales in Leonora valued at over $15 million. There was minimal fluctuation in the average price of house sales between 1996-2006, rising from $78,114 to $81,088. The median house price actually fell over the period, from $74,750 in 1996 to $68,000 in 2006. From 1996-2006 there were just 24 building approvals for new houses in Leonora.

LEONORA, Median price of house sales



Source: REIWA Regional Residential Data Series.

MANDURAH

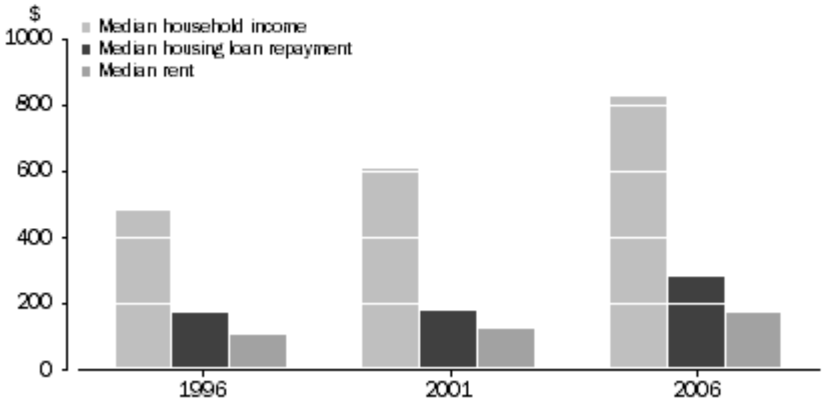
In 2006 the usual resident population of the Mandurah Statistical Subdivision (including the City of Mandurah and the Shire of Murray) was just under 68,000, 40% higher than a decade earlier (just over 48,000 in 1996). This rise occurred steadily over the period, with the population rising 18% between the 1996-2001 Censuses and 19% between the 2001-2006 Censuses.

Allied to strong population growth was a substantial increase in Mandurah's housing stock. The number of private dwellings rose from just over 18,000 in 1996 to just under 27,000 in 2006, a 48% increase. Growth was steady between 1996-2006, recording a 21% rise between both inter-censal periods.

The median age (based on place of enumeration counts) rose from 36 to 42 years and the average household size fell from 2.6 to 2.4 between 1996-2006.

Income and housing expenditure data from the 1996 and 2006 Censuses reveals a rise in median weekly household incomes (up 72% to $822), median monthly housing loan repayments (up 62% to $1,200) and median weekly rents (up 62% to $170).

MANDURAH, Median weekly household income and housing costs



Source: 1996, 2001 and 2006 Census of Population and Housing.

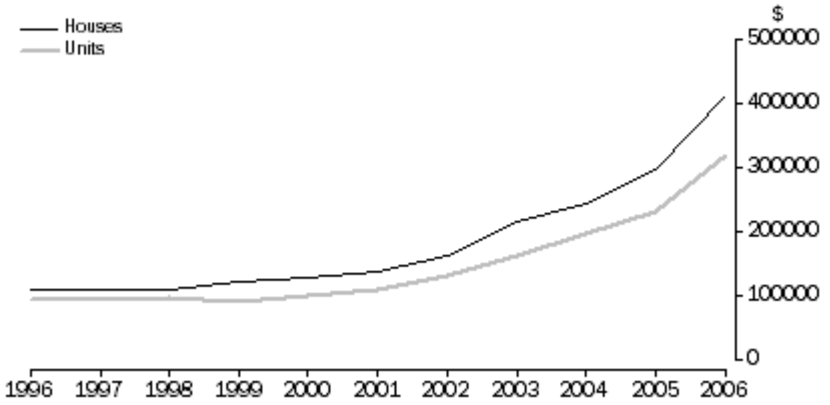
The proportion of fully owned private dwellings in Mandurah fell between 1996-2006, from 42% to 37%, as dwellings being purchased increased from 31% to 33%. The vast majority of Mandurah residents live in separate dwellings (84%), although the number of flats/units /apartments almost tripled between 1996-2006, from 566 to 1,611. Separate houses in Mandurah were equally fully owned or being purchased (37% for each), while flats/units /apartments were predominantly rented (54%).

In the decade 1996-2006, 22,588 established houses were sold in Mandurah. The median price of these houses rose from $110,000 in 1996 to $135,000 in 2001 (an average annual increase of 3.5%). From 2002 the median price of established houses increased rapidly, averaging 20% annually to a median price of $410,000 in 2006. Unit sales in Mandurah displayed a similar pattern with the median price of unit sales rising 2.6% per year between 1996-2001 and 19.3% per year between 2002-2006 (on average). The median price of units rose from $94,000 in 1996 to $318,000 in 2006.

MANDURAH, Sales of houses and units

Source: REIWA Regional Residential Data Series.

MANDURAH, Median price of house and unit sales



Source: REIWA Regional Residential Data Series.

Sales of land in Mandurah totalled just over 15,000 lots between 1996-2006, with strong growth experienced from 2002 onwards.

Between 1996-2006 just under 12,000 new houses were approved for construction in Mandurah. Growth in house approvals increased steadily over the period, almost tripling from 596 to 1,648 approvals. Coupled with this increase was a dramatic escalation in the total value of house approvals in Mandurah, from over $28 million in 1996 to $355 million in 2006.

MANDURAH, Total value of new house approvals

Source: Building Approvals, Australia, cat. no. 8731.0.

The average value of Mandurah's new house approvals rose from $47,434 in 1996 to $215,495 in 2006. The level in 2006 ($215,495) ranked behind 33 other regional LGAs in Western Australia, with predominantly remote Shires leading the way (e.g. Port Hedland, Wiluna and Halls Creek).

FURTHER DATA

The base data used in this feature article is at LGA level and is available as a spreadsheet which can be obtained by contacting either Phil Smythe of the Australian Bureau of Statistics at phil.smythe@abs.gov.au or Stewart Darby of the Real Estate Institute of Western Australia at stewart.darby@reiwa.com.au.

Short-term overseas travel to and from Western Australia (Feature Article)

FEATURE ARTICLE 2: SHORT-TERM OVERSEAS TRAVEL TO AND FROM WESTERN AUSTRALIA

INTRODUCTION

There has been a large rise in Western Australians travelling overseas since 2003, underpinned by a rapidly expanding local economy. More people have departed Western Australia for holidays, visiting friends or relatives, business, education, employment and conventions or conferences. Overseas holiday travel has increased substantially to Thailand, Singapore and Malaysia. Thailand, in particular, has emerged as a major holiday destination since the impact on travel to Indonesia after the Bali bombings in 2002-2005. The number of Western Australians travelling overseas to visit friends or relatives surged to a ten-year high in 2006, with much more travel to the United Kingdom and New Zealand. Overseas business travel from Western Australia has grown strongly, particularly to the rapidly developing countries of China, India and the United Arab Emirates. Education travel and convention or conference travel have also risen sharply since 2003, with many more Western Australian students departing to Singapore and New Zealand and convention or conference travel rising, predominantly to China. Employment travel abroad has showed a modest increase due to the onset of the state's skills shortage.

Travel into Western Australia has increased more modestly than outbound travel over the ten years to 2006. Holiday travel from Asia has been hampered by the 1997 Asian financial crisis, terrorists attacks and natural and biological disasters, particularly from Indonesia, Malaysia and Thailand. However, there have been notable increases in the amount of travel to Western Australia for employment and education purposes. Rising job vacancies and incomes have seen more short-term overseas workers enter the state from Singapore, New Zealand, Malaysia, the United Kingdom and Indonesia, while increasing numbers of international students have arrived from China, Korea, Singapore and Japan.

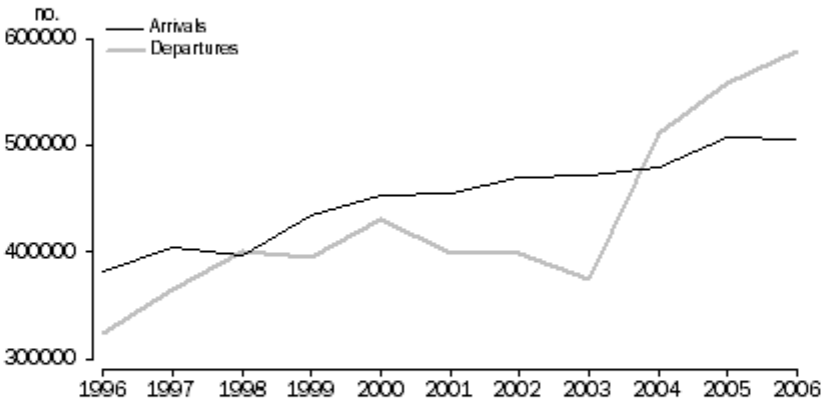
ABOUT THE DATA

Data presented in this article are sourced by special request from Overseas Arrivals and Departures, Australia (ABS cat. no. 3401.0). Information on persons arriving in, or departing from, Australia are provided on incoming and outgoing passenger cards, as well as visa applications for incoming persons (apart from Australian or New Zealand citizens). Data relate to the number of movements of travellers rather than the number of travellers (i.e. multiple movements of individual persons during a given reference period are each counted separately). Also, country details for persons arriving in Australia relate to their country of residence, while for persons departing Australia they relate to the country where most of their time was spent abroad. The definition of 'short-term' travel is less than one year.

TOTAL SHORT-TERM OVERSEAS TRAVEL

Total short-term overseas travel to and from Western Australia exceeded over one million (1,094,296) arrivals and departures in 2006. There were more departures (587,959) from Western Australia than arrivals (506,337) during the year, a pattern that has re-emerged since 2004. Both departures and arrivals have grown considerably between 1996-2006, although growth in departures has exceeded that of arrivals. Short-term overseas departures from Western Australia increased 82% (264,437) or 8% (26,444) per year over the ten years to 2006, more than twice the rate of arrivals to Western Australia, up 32% (123,475) or 3% (12,348) per year.

TOTAL SHORT-TERM OVERSEAS TRAVEL, Western Australia



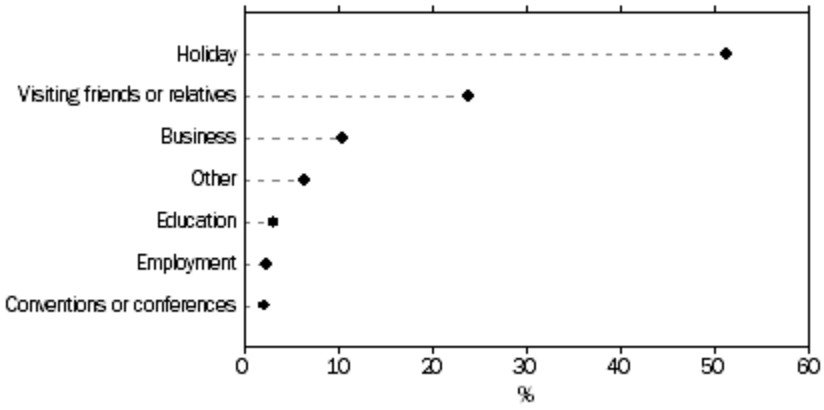
Source: ABS data available on request, Overseas Arrivals and Departures, Australia, cat. no. 3401.0.

Western Australian overseas departures have also grown at a pace well above what you would expect from general population growth. Between 1996-2006, short-term overseas departures from Western Australia grew 82%, more than four times the rate of population growth (17%). As a result, the ratio of outbound travel to state population fell from one departure per 5.5 residents in 1996 to one departure per 3.5 residents in 2006.

REASONS FOR SHORT-TERM OVERSEAS TRAVEL

The most popular reason for short-term overseas travel to and from Western Australia is holiday travel. Every second journey, whether it be an arrival to Western Australia or departure from the state, is for holiday purposes. Holiday travel as a proportion of total travel declined between 1996-2003, but recovered strongly after that time. The next most popular reasons for travel were visiting friends or relatives and business, accounting for almost one-quarter and one-tenth of total Western Australian travel (inward plus outward) respectively. Other reasons for travel included education, employment and conventions or conferences.

REASONS FOR TRAVEL, Total travel (arrivals plus departures) **-** Western Australia **-** 1996 to 2006



Source: ABS data available on request, Overseas Arrivals and Departures, Australia, cat. no. 3401.0.

SHORT-TERM OVERSEAS ARRIVALS

Over the ten years to 2006, half (50%) of all short-term overseas arrivals to Western Australia were for holidays. The proportion of holiday arrivals decreased however, from 56% in 1996 to 47% in 2006, despite the number of holiday arrivals rising 12% (24,789) to 239,821. The second most popular reason for travel to Western Australia was visiting friends or relatives, accounting for over one-quarter (26%) of arrivals to Western Australia over the period. The third most popular reason for travel was shared between business travel and other travel, both comprising 8% of arrivals over the ten years. Both of these travel types showed rising proportions between 1996-2006, with business travel up from 7% to 10% and other travel up from 4% to 5%. The remaining reasons for short-term overseas travel to Western Australia included: education (5%), conventions or conferences (2%) and employment (2%) - all showing increased proportions over the ten year period. The two most notable rises were for business travel (7% to 10%) and employment travel (1% to 3%), reflecting the strong performance of the Western Australian economy and the need for labour to help alleviate the state's skills shortage.

SHORT-TERM OVERSEAS DEPARTURES

Over half (53%) of all short-term overseas departures from Western Australia were for holidays between 1996-2006. The proportion of holiday departures decreased slightly, from 54%to 53% over the period, despite the number of holiday departures rising 78% (136,769) to 312,289. The second most popular reason for travel overseas was visiting friends or relatives, accounting for just under one-quarter (22%) of Western Australian overseas departures from 1996-2006. The third most popular reason for travel was business, accounting for 13% of departures over the ten years. The proportion of Western Australians visiting friends or relatives (22% to 23%) remained fairly steady between 1996-2006, while business travel fell from 14% to 13%. The remaining reasons for Western Australians travelling overseas included: other travel (5%), employment (3%), conventions or conferences (3%) and education (1%) - other travel (3% to 5%) and employment travel (3.0% to 3.2%) showed increased proportions and conventions or conferences (3% to 2%) and education (1.1% to 1.0%) showed decreased proportions over the ten years.

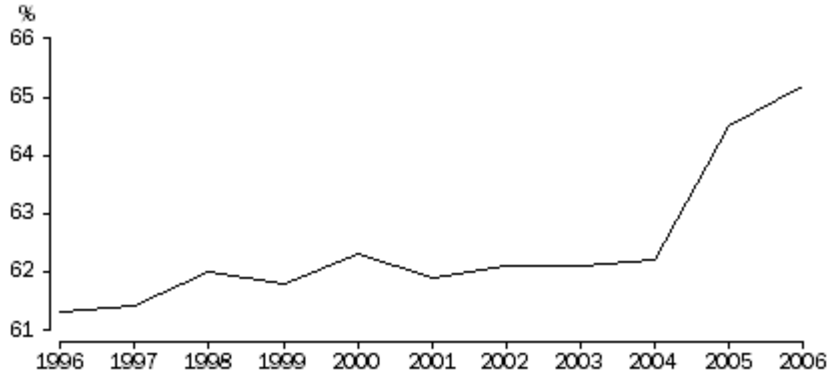
FACTORS AFFECTING OVERSEAS TRAVEL

The willingness of people to travel overseas is highly dependant on domestic economic conditions and safety. Higher employment and incomes improve the capacity of people to travel abroad, while world events that cause social-political, economic or environmental instability deters travel. Other economic conditions that influence overseas travel include the price of travel and accommodation and the strength of the local currency.

EMPLOYMENT AND INCOMES

Job security and adequate income can influence holiday plans and destinations. Western Australia has enjoyed a lengthy period of employment growth over the last ten years, with 27% (230,217) more people employed in 2006 than in 1996. Furthermore, when looking at the ratio of employment to population in Western Australia, the pattern of change has been very similar to that of Western Australians travelling overseas on holiday. The proportion of employed persons rose sharply to 65% of the state's population in 2006, after many years at around 62% (1996-2004). Similarly, Western Australians departing on overseas holidays jumped 8.2% over the two years to 2006, following an average growth rate of 6.6% per year between 1996-2004.

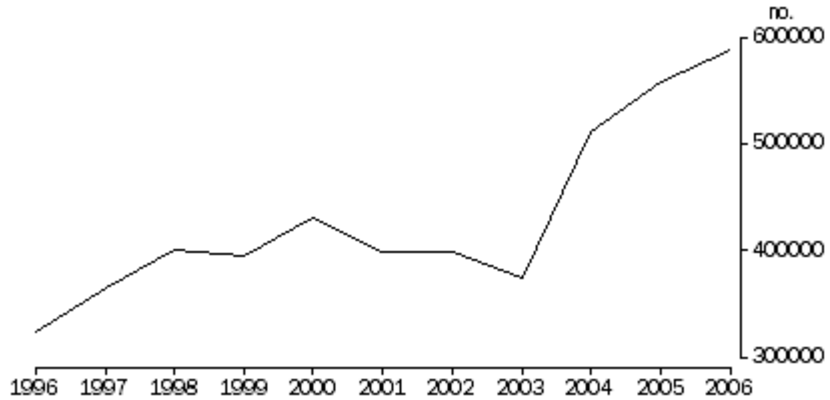
RATIO OF EMPLOYED PERSONS TO POPULATION(a), Western Australia



(a) Civilian population aged 15 years and over

Source: Labour Force, Australia, cat. no. 6202.0.

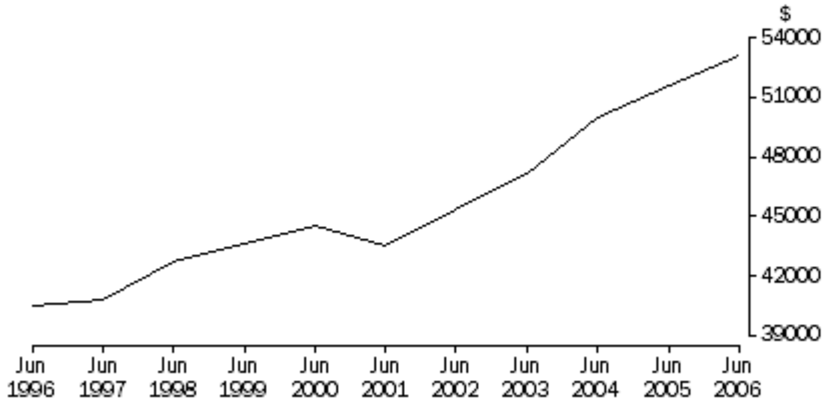
TOTAL SHORT-TERM OVERSEAS DEPARTURES, Western Australia



Source: ABS data available on request, Overseas Arrivals and Departures, Australia, cat. no. 3401.0

In addition to higher employment, average incomes have grown 31% ($12,648) to $53,134 per year in Western Australia between June 1996-2006, according to real Gross State Product per capita estimates.

REAL GROSS STATE PRODUCT PER CAPITA, Western Australia



Source: Australian National Accounts: State Accounts, cat. no. 5220.0.

Economic conditions have also been favourable in some of the countries from where Western Australia traditionally attracts its overseas tourists. Annual rates of real GDP growth have been solid in the United Kingdom (3%), New Zealand (3%), Hong Kong SAR (4%), Ireland (7%) and the United States of America (3%) between 1996-2006. At the same time these countries have recorded strong increases in holiday travel to Western Australia, ranging from 2,199 (72%) more arrivals from the United States of America to 42,844 (209%) more arrivals from the United Kingdom. In addition, China (up 1,689 or 515%) recorded a notable increase in business travel to Western Australia over the last ten years, reflecting rapid economic growth in that country (9% per year between 1996-2006 on average) and stronger trade relations with Western Australia.

MAJOR WORLD EVENTS

A number of world events have caused significant fluctuation in overseas travel to and from Western Australia in recent times. These events are discussed below in chronological order, not in the order of their impact on overseas travel.

The 1997 Asian financial crisis sent many Asian economies into recession, decreasing the number of people travelling from the region to Western Australia. In the eighteen months to December 1998, short-term travel from South-East Asia fell 21% (36,327 arrivals). Travel from Indonesia was the worst affected, with arrivals down 43% (20,119). Travel was also much lower from Malaysia (down 32% or 13,022) and Thailand (down 37% or 4,181). The largest decline in arrivals outside of the South-East Asian region was from Korea (includes both the Republic of Korea and the Democratic People's Republic of Korea) (down 34% or 925). In contrast to these declines, the number of arrivals for employment increased from these countries in the year following the financial crisis. In 1998, employment travel to Western Australia was higher from Malaysia (up 67% or 60), Indonesia (up 50% or 56), Thailand (up 73% or 30) and Korea (up 19 arrivals, recording its first employment arrivals since 1996).

In 2000, the Fijian Government was overthrown by a military coup culminating in two mutinies. This had an effect on Western Australian travel to Fiji, which dropped 47% in 2001. Once order in Fiji was restored a year later, short-term travel to Fiji rebounded strongly, increasing by an annual average of 128% (960 departures) over the five years to 2006.

Terrorist attacks have been a major factor in reducing overseas travel around the world. The September 11 terrorist attacks on the United States of America in 2001 and the Indonesian (Bali) bombings in October 2002 and 2005 caused major declines in travel to these countries. Short-term travel from Western Australia to the United States of America dropped 27% (6,938 departures) in 2001. In the year following the 2002 Bali bombing, Western Australian travel to Indonesia, which was already at a seven year low, fell by a further 10% (7,584) in 2003. Some confidence in travel to Indonesia returned in 2004, with Western Australian departures increasing 65% (43,138). This confidence was short-lived, however, with the 2004 Boxing Day tsunami and 2005 Bali bombing hampering Western Australian travel to Indonesia in 2006 (down 36% or 40,045).

Natural and biological disasters such as the 2004 Boxing Day tsunami in the Indian Ocean, the 2006 Java earthquakes, the Severe Acute Respiratory Syndrome (SARS) pandemic and the Avian Bird Flu also caused disruptions in travel patterns for many countries. The Boxing Day tsunami in the Indian Ocean affected travel to Western Australia from Thailand (down 13% or 1,529) and Sri Lanka (down 5% or 33) in 2005. Corresponding with the 2006 Java earthquake was a 5% (1,007) fall in arrivals from Indonesia in that year. The 2002 SARS pandemic, which originated in mainland China, saw a decrease of 31% (2,631) in Western Australian travel to China in the year following the outbreak. Similarly, the H5N1 strain of the Avian Bird Flu, which has caused a number of deaths since 2003, also affected travel to many Asian countries.

TRAVEL AND ACCOMMODATION COSTS

Generally, there is an inverse relationship between the cost of holidays and the number of people travelling on holiday. In six of the ten years between 1996-2006, the cost of overseas holidays moved in the opposite direction to the number of overseas holiday departures from Western Australia. This relationship was at its strongest between 2000-2002, when the cost of overseas holiday travel and accommodation increased 30% and short-term holiday departures dropped 15% (35,006). Other factors would have distorted this relationship however. For example, both the price and demand for overseas travel fell in 2003, mainly due to the impact of the 2002 Bali bombing. Also, since 2004, stronger employment and income growth in Western Australia (as well as a higher $A) would have bolstered the demand for overseas holiday travel, despite higher prices.

FOREIGN EXCHANGE RATES

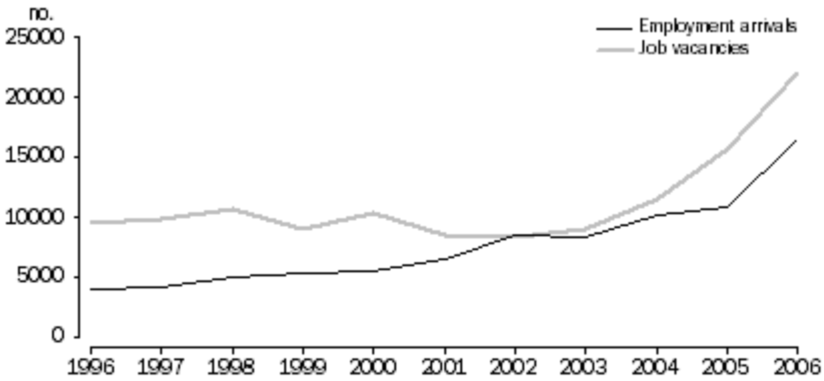
Connected to the cost of overseas travel, the value of a country's currency also influences its overseas travel patterns. Movements in the value of the Australian Dollar ($A) are followed by very similar movements in the number of overseas holiday departures from Western Australia, although holiday travel tends to lag behind currency movements by about one year. Accommodating for the one year lag, the value of the $A against the $US fell 20% in average annual terms from 1999-2002, while the number of holiday departures from Western Australia dropped 24% (55,530) from 2000-2003. Likewise, after this period, the value of the $A grew 48% from 2002 to 2005, while the number of holiday departures increased 76% (135,078) from 2003 to 2006.

GOVERNMENT POLICY

In 1996, the Australian Government implemented a new temporary business visa (Visa 457) allowing people from overseas to work in Australia for up to four years. Between its introduction and 2005, short-term employment arrivals to Western Australia rose 172% (6,825) to 10,785. As a direct response to nationwide labour shortages, Visa 457 was amended in April 2005 to allow more short-term workers into the country, which contributed to a rise of 53% (5,667) in employment arrivals to Western Australia in 2006. As at 30 June 2006, there were 11,237 Visa 457 holders in Western Australia.

The recent growth in employment arrivals has not been enough to meet the increasing number of job vacancies in Western Australia. In 2003, employment arrivals totalled 8,332, a shortfall of 718 arrivals compared to the number of job vacancies on offer during the year (9,050). Over the three years to 2006, employment arrivals grew by a much lower rate than job vacancies, 32% (2,707) compared to 41% (3,425) growth in job vacancies per year. This increased the shortfall to 5,623 in 2006, with 16,452 employment arrivals and 22,075 job vacancies.

SHORT-TERM OVERSEAS EMPLOYMENT ARRIVALS AND JOB VACANCIES, Western Australia



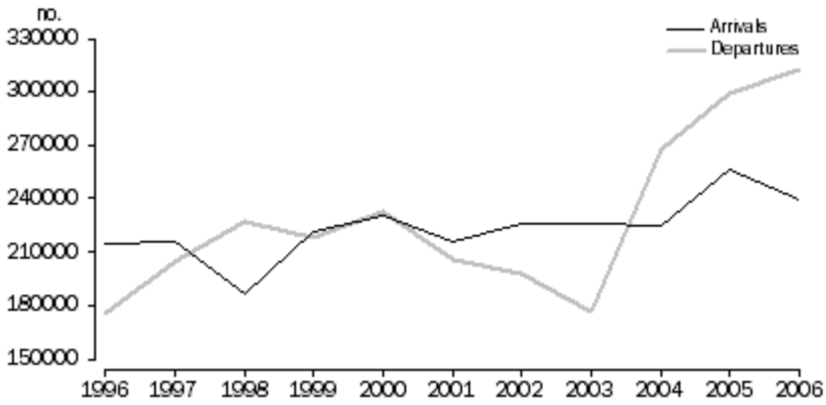
Source: ABS data available on request, Overseas Arrivals and Departures, Australia, cat. no. 3401.0; and Job Vacancies, Australia, cat. no. 6354.0

MAJOR CHANGES IN SHORT-TERM OVERSEAS TRAVEL

HOLIDAY TRAVEL

The pattern of overseas travel to and from Western Australia has been shaped over the last ten years by movements in the holiday travel component of total travel. Holiday travel accounts for half of all short-term overseas travel to and from the state. The number of Western Australians departing on overseas holidays has grown to record levels in recent years, while international holidaymaker numbers coming to Western Australia have grown more modestly - holiday departures up 78% (136,769) and holiday arrivals up 12% (24,775) between 1996-2006. There has also been a shift in the destinations to which Western Australians have travelled and the countries from which tourists have come to holiday in Western Australia.

SHORT-TERM OVERSEAS HOLIDAY TRAVEL, Western Australia



Source: ABS data available on request, Overseas Arrivals and Departures, Australia, cat. no. 3401.0.

Short-term overseas holiday arrivals

Until recently, Indonesia was one of Western Australia's major sources of overseas tourists. In 1996, 17% (35,960) of holiday arrivals to Western Australia were from Indonesia, second only to Singapore with 22% (46,626). By 2006, only 3% (7,730) of total holiday arrivals were from Indonesia. Tourists from the United Kingdom recorded the largest increase over the last ten years, with the proportion of holidaymakers from the United Kingdom rising from 10% (20,511) in 1996 to 26% (63,355) in 2006.

In 1998, just one year after the onset of the Asian financial crisis, total holiday arrivals to Western Australia dropped 14% (29,475). This slump was almost entirely the result of less holiday travel from Indonesia (down 16,404 or 56%) and Malaysia (down 11,069 or 42%), as well as declines from Thailand (down 4,048 or 49%), Singapore (down 2,409 or 5%), Japan (down 1,778 or 6%) and Korea (down 428 or 49%). Despite the number of holiday arrivals recovering for most countries in 1999 (total arrivals up 35,478 or 19%), the downturn in holidaymakers from Indonesia continued, with arrivals dropping 13% (1,622) in that year.

In 2001, there was a notable downturn in holiday travel to Western Australia from Japan (down 23% or 8,001) and Singapore (down 11% or 5,588), which coincided with declines in the value of the Japanese Yen and Singapore Dollar. The drop in holiday arrivals from these countries accounted for almost all of the fall in total arrivals to Western Australia during the year (down 6% or 14,031). The average value of the Japanese Yen and Singapore Dollar were at lows against the $A in 2001, having dropped 14% and 15% respectively from 1999. However, in 2002, the Yen (up 8%) and Singapore Dollar (up 2%) appreciated against the $A, which saw a recovery in holiday travel from Japan (up 18% or 4,607), but the marginal rise in the Singapore Dollar was not enough to encourage more holiday travel from Singapore (down 2% or 1,051).

Western Australia experienced a surge in overseas visitors in 2005, with holiday arrivals increasing 14% (30,843) to a record high of 255,763 arrivals. About half of this growth was attributed to holiday travel from Singapore (up 44% or 15,416). However this growth was short-lived as holiday arrivals from Singapore dropped 30% (15,088) in 2006.

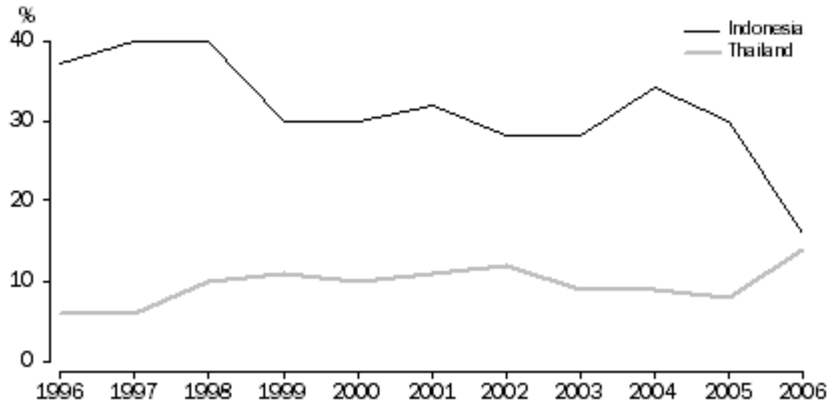
Short-term overseas holiday departures

Overseas holiday costs appears to have had a greater effect on Western Australian travel

between 1996-2002 than in later years, mainly due to a stagnating local economy during that time. In the two years to 2002, Western Australians departing on overseas holidays fell 15% (35,006), as the cost of overseas holiday travel and accommodation rose 30%. However, since 2003, with the state economy improving rapidly, the cost of holiday travel and accommodation had much less of an effect. Between 2003-2006, overseas holiday departures from Western Australia grew 76% (135,078), despite a rise in travel and accommodation prices of 5%.

There has been some change in the preferred overseas holiday destinations of Western Australians in the last ten years. In 1996, almost half of all holiday departures were either to Indonesia (37%) or the United Kingdom (12%). Indonesia, despite remaining the most preferred holiday destination, lost many holidaymakers from Western Australia since the two Bali bombings. After the latest bombing in 2005, there was a drop in the proportion of Western Australian holiday departures to Indonesia from 30% (90,441) in 2005 to 16% (51,271) in 2006. It appears as though many Western Australians substituted holiday travel from Indonesia to Thailand, as the proportion of holiday travel to Thailand rose from 8% (25,113) in 2005 to 14% (43,656) in 2006.

SHORT-TERM OVERSEAS HOLIDAY DEPARTURES TO INDONESIA AND THAILAND,
Proportion of total holiday departures, Western Australia



Source: ABS data available on request, Overseas Arrivals and Departures, Australia, cat. no. 3401.0.

After the terrorist attacks in the United States of America on 11 September 2001, Western Australians became increasingly cautious about travelling overseas and holiday travel decreased to most major destinations. Total holiday departures decreased by an average of 8% (18,510) per year between 2000-2003. Holiday departures to the United States of America dropped 47% (5,295) in 2001. In 2002, departures to the popular holiday destinations of Indonesia, Singapore and Malaysia decreased by a combined 15% (18,268) - a decline also influenced by the SARS threat in the region. There was no recovery in travel to South-East Asia in the following year (2003), as the October 2002 Bali bombing, SARS and the Marriott Hotel bombing in Jakarta continued to deter many would be travellers. The combined effect of these events saw a 14% (14,721) decrease in departures to Indonesia, Singapore and Malaysia in 2003. Holiday travel to Thailand (down 35% or 8,566) and the United Kingdom (down 6% or 1,158) were also much lower during the year.

After 2003, overseas holiday travel from Western Australia rose at a rapid rate. In 2004, 51% more Western Australians departed on overseas holidays than a year earlier, with travel increasing to all major destinations, including a major recovery to the South-East Asian region. Holiday travel to Indonesia alone increased 83% (41,633) in 2004. By 2005, holiday travel recovered to all major destinations, although travel to Indonesia fell marginally

(down 2%), possibly due to the effects of the Boxing Day tsunami at the end of 2004. Holiday travel to Indonesia continued to suffer after the second Bali bombing in October 2005, with holiday travel to Indonesia declining 43% (39,170) in 2006. Overall, since 2003, Western Australian holiday travel increased the most to Thailand (up 174% or 27,705), Singapore (up 114% or 16,361) and Malaysia (up 171% or 15,514).

VISITING FRIENDS OR RELATIVES

In each year between 1996-2006, the number of arrivals to Western Australia for the purpose of visiting friends or relatives has exceeded the number leaving Western Australia for the same purpose. Over the last few years, however, the number of locals departing overseas to visit friends or relatives has grown much faster than those coming to Western Australia to visit friends or relatives, which has almost closed the gap between the two. Like holiday travel, overseas visitor travel to and from Western Australia has reached ten-year highs in the last two years.

SHORT-TERM OVERSEAS VISITOR TRAVEL, Western Australia

Source: ABS data available on request, Overseas Arrivals and Departures, Australia, cat. no. 3401.0.

Short-term overseas visitor arrivals

A large number of people from the United Kingdom visit friends or relatives in Western Australia. This is not surprising given that the United Kingdom (comprising England, Scotland and Wales) accounts for well over one-third (39% in 2006) of Western Australian residents born overseas. Over the ten years to 2006, travellers from the United Kingdom made up over 35% of total visitor arrivals to Western Australia. In 2006, there were 52,678 travellers from the United Kingdom, representing 38% of total visitor arrivals during the year. The second largest proportion of travellers visiting friends or relatives were from New Zealand in 2006 (12% of total visitor arrivals or 17,110 persons). Almost one-tenth (9%) of overseas born Western Australian residents were born in New Zealand in 2006.

After two years of decline, there was a steady increase in overseas residents visiting friends or relatives in Western Australia from 2002-2006. Visitor arrivals dropped by an average of 6% (7,451) per year between 2000-2002, mainly due to large falls in visitors from New Zealand (down 5,181 or 30%), the United Kingdom (down 2,526 or 6%) and Malaysia (down 1,550 or 21%). From 2002-2006, total visitor arrivals increased by an average of 8% (8,004) per year, with a large rebound in travellers from the United Kingdom (up 11,543 or 28%), New Zealand (up 5,237 or 44%) and Malaysia (up 1,623 or 29%).

Short-term overseas visitor departures

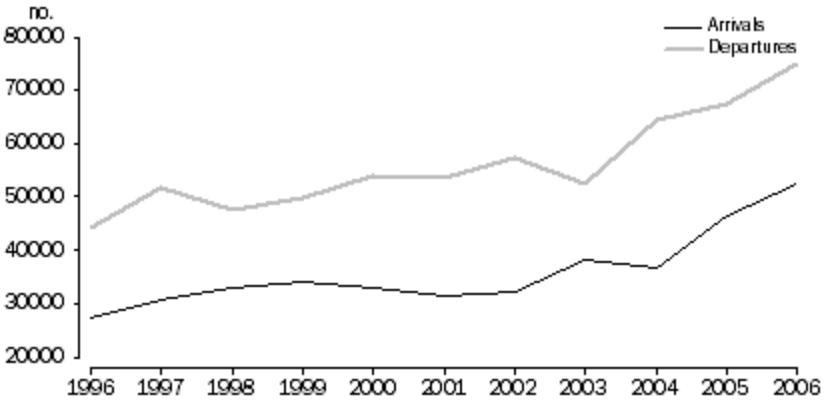
Similar to inbound visitor travel, the United Kingdom was the major destination for Western Australians travelling overseas to visit friends or relatives over the ten years to 2006. About one-in-five visitor departures over this time were to the United Kingdom, although the proportion of departures decreased slightly. In 2006, 21% of Western Australian travellers visited friends or relatives in the United Kingdom, compared to 24% ten years earlier. This decline could well be linked to the fall in the proportion of Western Australian residents born in the United Kingdom, down from 45% in 1996 to 41% in 2006. New Zealand ranked second in terms of the proportion of total visitor departures from Western Australia in 2006 with 16%.

The number of Western Australians visiting friends or relatives overseas has surged in the last three years. Following a fall of 9% (8,760) in 2001, the number of visitor departures from Western Australia rose 12% (10,756) per year on average between 2002-2006. Visitor departures increased to most countries over this period, with the major increases being to New Zealand (up 8,451 or 70%) and the United Kingdom (up 7,463 or 36%).

BUSINESS TRAVEL

The Western Australian economy relies heavily on international markets for the goods and services it produces, with around 40% of total production shipped offshore each year. As a result, many Western Australians travel overseas on business and many business people come to Western Australia (although not nearly to the same extent). Over the last ten years, there were around twice as many business departures from Western Australia than business arrivals. The gap between the two widened slightly over the ten years to 2006, as the number of business departures (up 30,790 or 70%) grew by more than the number of business arrivals (up 24,797 or 90%).

SHORT-TERM OVERSEAS BUSINESS TRAVEL, Western Australia



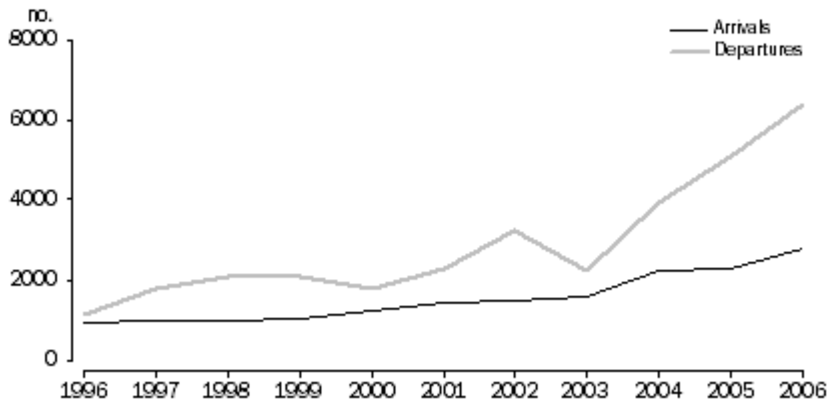
Source: ABS data available on request, Overseas Arrivals and Departures, Australia, cat. no. 3401.0.

A shift has occurred in the countries with which Western Australia shares its business travel. In 1996, business travel between Western Australia and Indonesia totalled 10,350, with 2,050 arrivals and 8,300 departures, accounting for 14% of total business travel in that year. By 2006, business travel to and from Indonesia dropped 16% to a total of 8,649, with 1,987 arrivals and 6,662 departures, accounting for a much lower 7% of total business travel. This decline was mainly the result of the emergence of China as a major trading partner for

Western Australia, as well as the reduced confidence in travelling to Indonesia. Western Australia currently shares the largest proportion of its business travel with Singapore, accounting for 15% (18,630) of total business arrivals (8,278) and departures (10,352) in 2006.

The stronger economic ties between Western Australia and the rapidly growing Chinese economy has been reflected in business travel between the two countries. The state's total trade with China (exports and imports) more than tripled (up 266% or $4.2 billion) between 1996-2004 and business travel (arrivals plus departures) rose 200% (4,101). In the following two years (2004-2006), growth accelerated even further, with international trade up 128% ($7.3 billion) and business travel up 49% (3,020 arrivals and departures) between these two nations.

SHORT-TERM OVERSEAS BUSINESS TRAVEL TO AND FROM CHINA, Western Australia



Source: ABS data available on request, Overseas Arrivals and Departures, Australia, cat. no. 3401.0.

Business travel between Western Australia and India has also grown substantially in recent years. From 2002-2006, business travel between the two nations rose 177% (1,674), as Western Australia's trade with India grew from $490 million to $4.4 billion over the period.

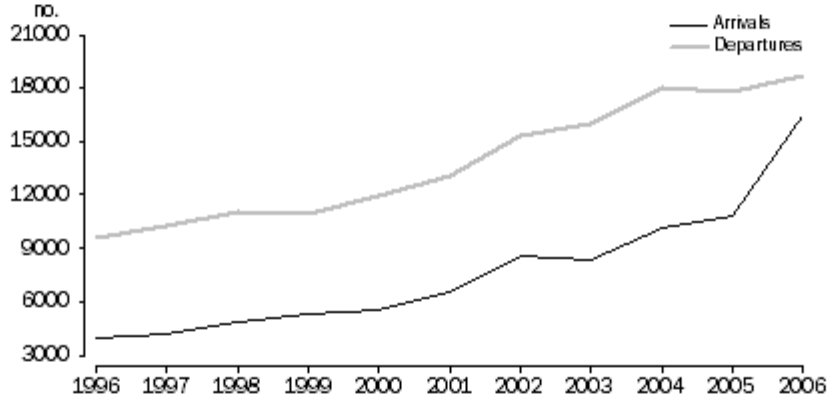
Another country recording a greater level of business travel with Western Australia was the United Arab Emirates. In 1996, the United Arab Emirates ranked as Western Australia's thirty-first highest business travel partner with 283 arrivals and departures combined. However, by 2006, its rank rose to fourteenth highest, with 2,225 business arrivals and departures, an increase of 194 (69%) arrivals and departures per year on average.

EMPLOYMENT TRAVEL

Western Australia has experienced seven years of sustained economic growth since 2000, which has increased the proportion of people employed in the state. As economic growth accelerated, particularly over the last three years, the state's labour supply was placed under increased pressure to meet labour demand, resulting in a major shortage of skilled workers in the state. The movement of people to and from the state for short-term employment was influenced by these labour market conditions. For example, the number of employment departures from Western Australia to other countries stagnated from 2004, as job prospects and wages became more favourable in the state. On the other hand, many short-term overseas workers arrived in the state in 2006, due to greater employment

opportunities and changes to immigration policy. In the four years to 2006, job vacancies grew 164% (13,700) in Western Australia.

SHORT-TERM OVERSEAS EMPLOYMENT TRAVEL, Western Australia



Source: ABS data available on request, Overseas Arrivals and Departures, Australia, cat. no. 3401.0.

Over the last ten years, there have been more short-term employment arrivals to, and departures from, Western Australia. Outward employment travel rose by an average of 9% (909 departures) per year between 1996-2006. However, as wages and the severity of the state's skills shortage grew, the rate of employment departures decelerated to 2% (352) per year in the last two years of the period (2004-2006).

Inward overseas employment travel grew 17% (683 arrivals) per year on average between 1996-2005. After the amendment to the temporary business visa (Visa 457) in 2005, employment travel to Western Australia increased 53% (5,667 arrivals) during the year. The rise in employment arrivals was consistent with research conducted by the Parliamentary Library of Australia, which found that the number of Visa 457s issued for Australia increased 44% from 2004-05 to 2005-06 - this increase relates only to primary 457 visas issued to workers, excluding any family members which may arrive with them.

Short-term overseas employment arrivals

There has been considerable change in the countries from which people have come to Western Australia for short-term employment. In 1996, the majority of workers came from either New Zealand (41% or 1,604) or the United Kingdom (21% or 831). However, over the next ten years, the proportion of workers from New Zealand and the United Kingdom fell to 17% (2,864) and 13% (2,063) respectively in 2006. It was mainly an increase in workers from Singapore, Malaysia and Indonesia in the last three years that has reduced these shares. The proportion of employment arrivals from Singapore rose from 5% (446) in 2003 to 17% (2,745) in 2006. The proportion of workers from Malaysia increased from 3% (284) to 8% (1,340), and rose from 4% (373) to 7% (1,158) from Indonesia over the three years. In number terms, there were 2,299 more arrivals from Singapore, 1,056 more arrivals from Malaysia and 785 more arrivals from Indonesia between 2003-2006.

Short-term overseas employment departures

The number of Western Australians travelling abroad for short-term employment levelled off between 2004-2006, as the shortage of skilled workers increased and local incomes became more internationally competitive. The number of employment departures from

Western Australia rose by an average of 2% (352) per year over this time, much lower than the 9% (909) average annual growth over the entire ten years to 2006. The countries to which Western Australian residents have travelled have remained much the same over the last ten years, although a couple of countries have grown in significance.

In 2006, Singapore was the most popular short-term employment destination for Western Australians, accounting for 13% (2,396) of total overseas departures in that year. Indonesia (10% or 1,871) and the United Kingdom (10% or 1,794) were the next most popular destinations. These countries were also the main destinations for short-term employment in 1996: the United Kingdom (15% or 1,448), Singapore (15% or 1,418) and Indonesia (10% or 966).

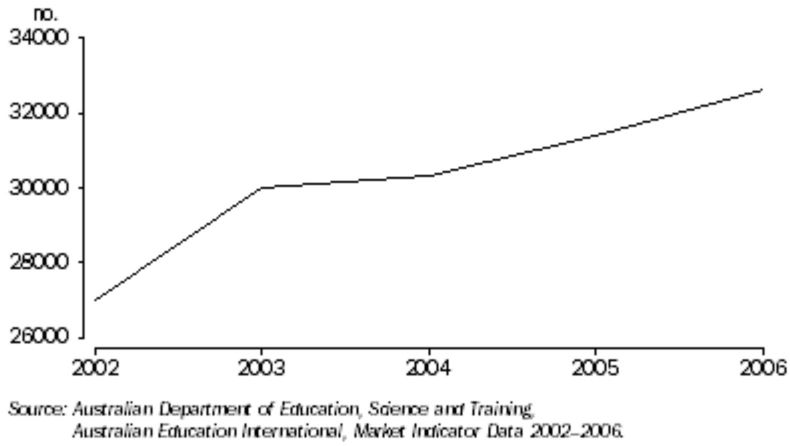
An increasing number of Western Australians have travelled to the United Arab Emirates for short-term employment in recent years. With oil reserves diminishing, the United Arab Emirates has begun restructuring its economy toward alternate industries such as developing Dubai into a major tourist destination and transport hub. The associated engineering and building construction activity has brought many international workers to Dubai, attracted by higher incomes and tax-free employment packages. In 1996, there were 36 short-term employment departures from Western Australia to the United Arab Emirates. Since then, employment departures have grown by an average of 63 per year to 664 departures in 2006. As a result, the proportion of Western Australian employment travel to the United Arab Emirates has risen from 0.4% in 1996 to 3.5% in 2006.

Sub-Saharan Africa (excluding South Africa and Mauritius) has also emerged as a major destination for Western Australian short-term employment. Between 1996-2006, the proportion of Western Australian employment departures to this region tripled from 2% (205) to 6% (1,056) of total departures. According to the International Monetary Fund, real GDP growth in Sub-Saharan Africa increased from 3.5% in 2002 to 5.4% in 2006, while peaking at 6.0% in 2004 and 2005. Economic growth in this region has been driven by strong world demand for oil. Higher oil prices have led to greater investment in expanding oil production and export capacity in Sub-Saharan Africa. Large resource-based projects, primarily funded by Chinese investment, have attracted many workers to the region to assist with the development of new oil fields and refineries, iron ore mines and other infrastructure such as railways and ports.

EDUCATION TRAVEL

Western Australia has attracted an increasing number of international students in recent times. According to the Australian Department of Education, Science and Training, the number of overseas student enrolments rose 21% (5,596) in Western Australia, from 27,034 to 32,630 between 2002-2006. Just over half of all enrolments become commencements, and hence, international student commencements rose from 16,267 to 17,752 (up 9% or 1,465) over the shorter time period of 2004-2006. These figures are consistent with the solid growth shown in overseas education arrivals to Western Australia since 1998.

OVERSEAS STUDENT ENROLMENTS, Western Australia

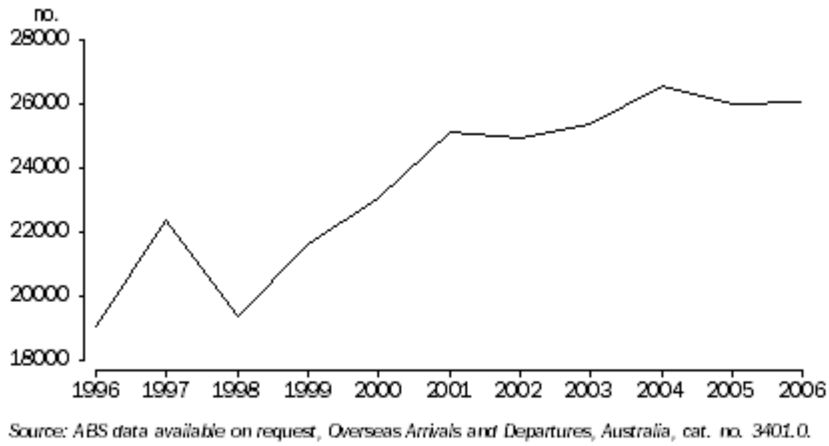


Furthermore, far fewer Western Australians travel overseas for education purposes than overseas students arrive in the state (5,817 compared to 26,050 in 2006), although the number of residents departing for overseas education have grown significantly in the last three years.

Short-term overseas education arrivals

The number of education arrivals to Western Australia has risen over the last ten years, from 19,042 in 1996 to 26,050 in 2006, mainly from China (up 1,849% or 1,442), Korea (up 102% or 766), Singapore (up 18% or 696) and Japan (up 45% or 623). There has been some fluctuation however and a distinct slowing in the rate of growth since 2001. A spike in education arrivals occurred in 1997, due to sharp increases in overseas students from Indonesia (up 32% or 1,505) and Malaysia (up 52% or 1,276). In the following year (1998), education arrivals declined from these two countries: Indonesia (down 34% or 2,109) and Malaysia (down 31% or 1,173). Then, from 1998-2001, education arrivals increased strongly at an average rate of 10% (1,910) per year, with the United States of America (up 147% or 1,099), Singapore (up 11% or 493) and China (up 174% or 489) accounting for a large proportion of the increased travel. From 2001-2006, however, growth in education arrivals to Western Australia slowed considerably, increasing by an average of only 1% (195) per year.

SHORT-TERM OVERSEAS EDUCATION ARRIVALS, Western Australia



In 2006, there were 26,050 international students arriving in Western Australia, with over one-quarter coming from the countries of Singapore (17% or 4,463) and Malaysia (11% or

2,879). This represents a considerable change from 1996, when one-in-four education arrivals were from Indonesia (24% or 4,648). After reaching a high of 6,153 arrivals in 1997, students arriving from Indonesia have dropped steadily, at an average of 7% (460) per year over the subsequent nine years.

Short-term overseas education departures

The number of Western Australians travelling overseas for education has been sporadic over the last ten years, although there has been a general upward trend. Between 1996-2006, education departures from Western Australia rose 62% (2,222) to 5,817. Three major peaks in education departures occurred in 1997 (4,078), 2001 (5,211) and 2004 (5,925), with each peak steadily increasing over time. Some of the more notable periods of increase in education departures occurred between 1999-2001 (up 41% or 1,502) and in 2004 (up 42% or 1,754). From 1999 to 2001, there were large rises in Western Australian students travelling to Indonesia (up 127% or 482), New Zealand (up 162% or 386) and Malaysia (up 684% or 383). In 2004, the destinations of China (up 1,041% or 302) and New Zealand (up 93% or 267) attracted more Western Australian students.

SHORT-TERM OVERSEAS EDUCATION DEPARTURES, Western Australia

Source: ABS data available on request, Overseas Arrivals and Departures, Australia, cat. no. 3401.0.

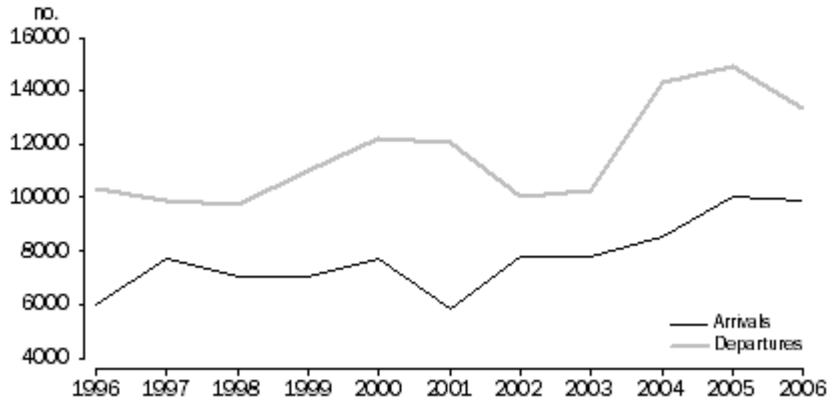
There has been some change in the destinations to which Western Australians have travelled for overseas education in the last decade. In 1996, over one-in-five education departures were to Indonesia (21% or 758), while 10% (376) went to Singapore and 9% (335) went to the United Kingdom. However, by 2006, apart from a high proportion of Western Australians still travelling to Singapore (21% or 1,245) for education, New Zealand (9% or 534) and Japan (8% or 467) emerged as the second and third most popular destinations for Western Australian students.

CONVENTION OR CONFERENCE TRAVEL

Western Australia's booming economy has meant that business, government and educational institutions have had more funds available to send people overseas to attend conventions or conferences. Conversely, Western Australia's rising international trade in minerals and energy has seen more people come to the state for conventions or conferences. The completion of the Perth Convention Centre in 2004 also coincided with more convention or conference arrivals after that time. Given Perth's relative isolation from the rest of the world, it is not surprising that there are more convention or conference departures from Western Australia than there are arrivals for the same purpose. In 2006,

there were 13,312 Western Australians departing for overseas conventions or conferences and 9,943 persons arriving from overseas for conventions or conferences held in Western Australia - 25% (3,369) less arrivals than departures.

SHORT-TERM OVERSEAS CONVENTION OR CONFERENCE TRAVEL, Western Australia



Source: ABS data available on request, Overseas Arrivals and Departures, Australia, cat. no. 3401.0.

Short-term overseas convention or conference departures

After a short period of decline, the number of departures from Western Australia for overseas conventions or conferences jumped 46% (4,734) between 2003-2005, followed by a fall of 11% (1,647) in 2006. The largest annual increase was recorded in 2004, with convention or conference departures rising 40% (4,097) to 14,322. This increase was across many destinations, with the most prominent being the United Kingdom (up 115% or 599), New Zealand (up 29% or 446), Malaysia (up 71% or 425) and the United States of America (up 22% or 424). Growth in convention or conference departures slowed in the following year (2005), increasing by only 4% (637). The fall in convention or conference departures in 2006 was mainly due to less travel to New Zealand (down 44% or 945), Malaysia (down 30% or 265) and Singapore (down 15% or 227).

Over the last ten years, there were notably more Western Australians attending conventions or conferences in China. Between 1996-2006, convention or conference travel to China increased by an average of 79 departures (158%) per year, to become the state's fifth largest convention or conference destination in 2006. Much of this rise can be attributed to the strengthening of trade relations between the two nations. Despite the emergence of China, the United States of America remained the most popular destination for Western Australian overseas convention or conference travel, accounting for 19% (2,475) of total convention or conference departures in 2006. The next most popular destinations were Singapore (10% or 1,338) and New Zealand (9% or 1,201).

Short-term overseas convention or conference arrivals

Recently, the pattern of people arriving from overseas for conventions or conferences in Western Australia has been similar to that of Western Australians departing for conventions or conferences overseas. Between 2003-2005, convention or conference arrivals rose 29% (2,291) and dropped 1% (123) in 2006. In 2004, the year the Perth Convention Centre was opened, overseas arrivals to Western Australia for conventions or conferences rose 10% (753). In the following year (2005), they grew by a further 18% (1,538).

People arriving from China to attend conventions or conferences in Western Australia grew strongly between 1996-2006, rising by an average of 43 (83%) per year, with much of the growth occurring since 2002. In 2006, New Zealand accounted for the largest proportion of convention or conference arrivals to Western Australia (18% or 1,794), followed by the United Kingdom (11% or 1,110) and the United States of America (10% or 1,031).

Explanatory Notes

Abbreviations

ABBREVIATIONS

The following symbols and abbreviations are used in this publication:

ABARE	Australian Bureau of Agricultural and Resource Economics
ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
ASCO	Australian Standard Classification of Occupations
Aust.	Australia
ERP	estimated resident population
n.e.s.	not elsewhere specified
n.f.d.	not further defined
SITC	Standard International Trade Classification
WA	Western Australia